



# ANNUAL COMPREHENSIVE FINANCIAL REPORT

*CITY OF AMES, IOWA*  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022



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In 1970, the first Earth Day was celebrated across the nation and focused attention on the environment and the importance of conservation. Within five years, the City of Ames opened the first in the nation municipally owned waste-to-energy facility to provide a unique solution to waste disposal by using processed garbage to produce electricity. In the decades that followed, the City of Ames, with support from Ames residents, continued to pursue options, programs, and services that conserve natural resources and support a healthy environment.

Today, our Ames utilities incentivize water and electric use reduction through rebates, incentives, and education. We have implemented our own

glass and food recycling programs. Our fleet vehicles have diversified into hybrid, all-electric, and biofuels. Our facilities are retrofitted and constructed with energy-savings as a priority. As our community grows, we incorporate parks and green space into our planning, and we consider multi-modal transportation to connect our city.

More than 50 years since the first Earth Day, the City of Ames is now creating a community-wide Climate Action Plan (CAP). Encouraged by residents and focused on the future of our shared planet, the CAP provides a road map to reduce our carbon footprint. The City of Ames remains committed to the goal of building a safe, healthy, livable, and sustainable community.



CITY OF AMES, IOWA  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2022

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, 2022**

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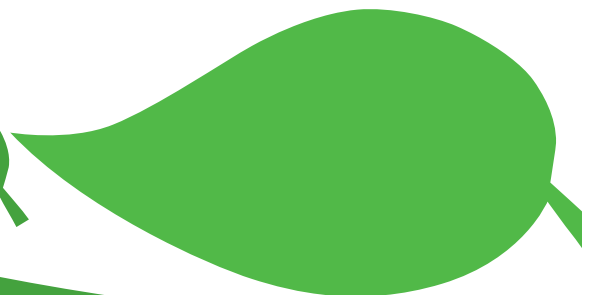
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# INTRODUCTORY SECTION





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May 1, 2023

To the Honorable Mayor, City Council Members, and Citizens 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, 2022, 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, 2022. 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 ninth 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. In most years, 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 National Laboratory. 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 2022, the U.S. Bureau of Labor Statistics reported that the Ames metropolitan statistical area (MSA) unemployment rate of 1.9% (preliminary) was one of the lowest in the nation, below the Iowa and national unemployment rates of which were at or above 2.9%. 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 4.4 % from January 2020 to January 2021. ISU student enrollment has fallen slightly from recent peaks with 29,969 students enrolled for the fall 2022 semester, a reduction of 2% from the prior year.

The commercial and industrial sectors, which were slowed during the COVID Pandemic, began the process of returning to standard construction activity, including new construction valuation of roughly \$37.3 million in FY 2021/22. The City continues to work with the state of Iowa and a local developer to make significant enhancements to the City's downtown area through the redevelopment of the Lincoln Way Corridor. The proposed project includes a City constructed indoor aquatics center as well as private commercial, retail, and housing. This project, which will transform a highly visible sections of the City, was awarded a \$10 million Iowa Reinvestment District Grant by the Iowa Economic Development Authority.

### ***Long-term financial planning and major initiatives***

In 2013 the Iowa Department of Natural Resources released the Iowa Nutrient Reduction Strategy. This strategy required the largest municipal wastewater facilities in Iowa to install process changes for nutrient removal. To comply with the updated requirements, the City has identified a staged approach to compliance which is expected to be materially under construction in the upcoming three fiscal years. To avoid placing significant financial burdens on the utility's customers, the second phase of the project



is currently expected to begin design in FY 2035/36. Additionally, the City is in the process of developing a Climate Action Plan which establishes a community carbon reduction goal and develops a relevant, achievable, and cost-effective strategy, timeline, and metrics to track progress toward achieving the goal.

### ***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, 2022. 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 37th 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,

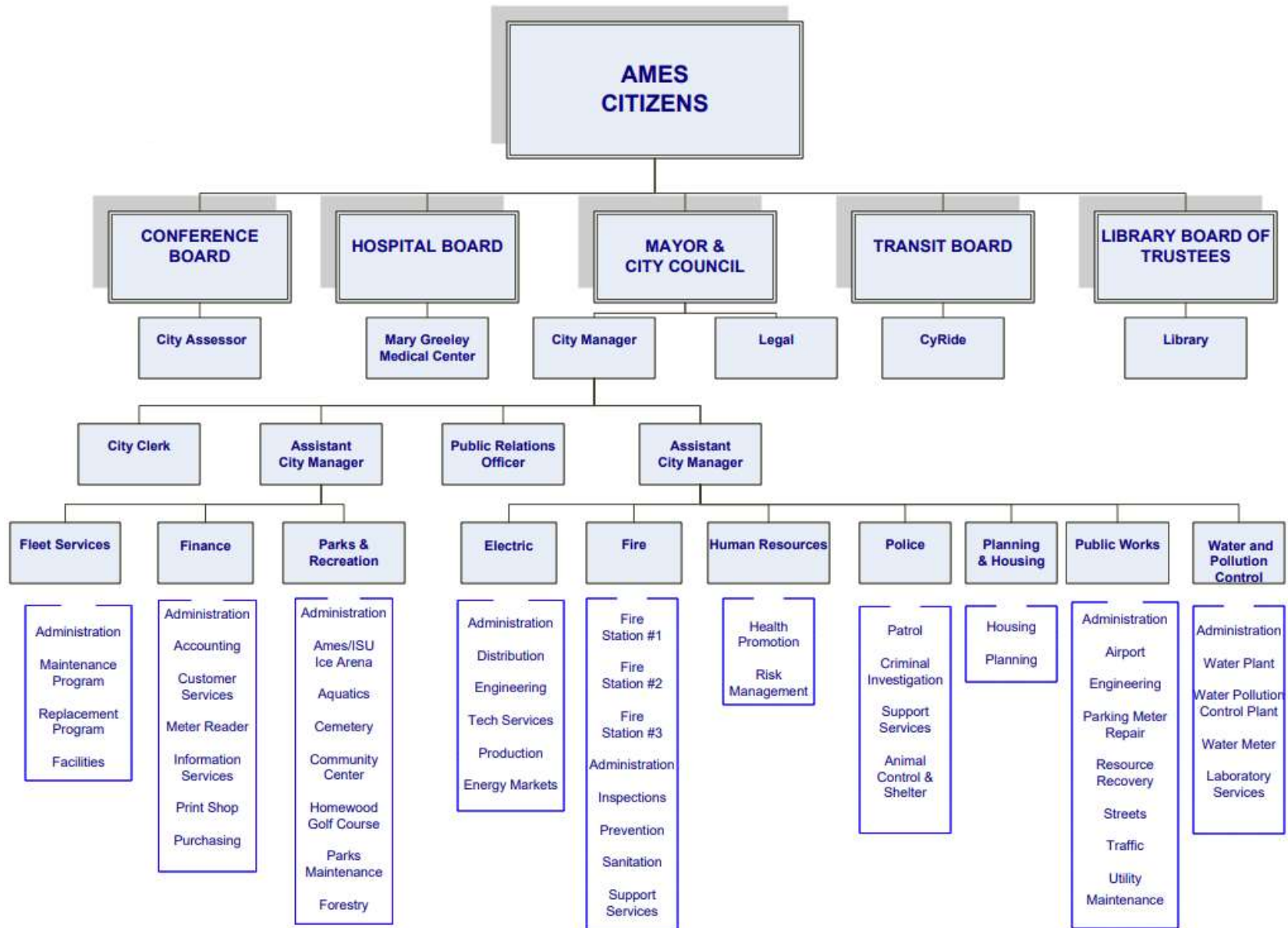
Steven L. Schainker  
City Manager



Corey Goodenow  
Director of Finance



**City of Ames  
Organizational Chart  
June 30, 2022**



**City of Ames**  
**List of Elected and Appointed Officials**  
**June 30, 2022**

**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 | Renee Hall |
|------------|------------|

**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                     | Corey Goodenow    |
| 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:**

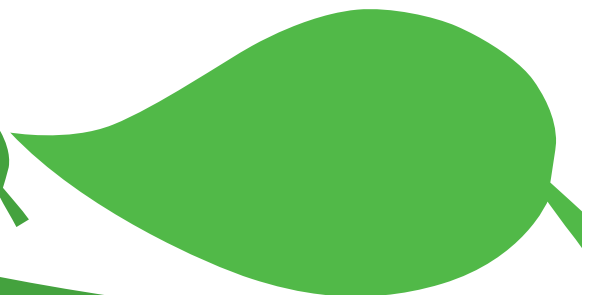
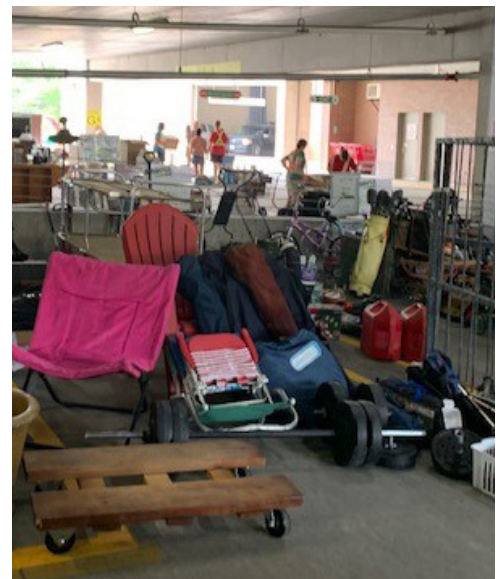
|  |              |
|--|--------------|
| President / Chief Executive Officer      | Brian Dieter |
| Vice President / Chief Financial Officer | Gary Botine  |



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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 Audit of the Financial Statements

#### *Opinions*

We have audited 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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the accompanying 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, as of June 30, 2022, 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.

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 57 percent, 55 percent, and 64 percent, respectively, of the assets, net position, and revenues of the business-type activities. We did not audit the financial statements of the discretely presented component unit, which represents 100 percent of the assets, net position, and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Mary Greeley Medical Center and the component unit, is based solely on the report of the other auditors.

#### *Basis for Opinions*

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

### ***Adoption of New Accounting Standard***

As discussed in Note IV R and IV W to the financial statements, the City has adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 87, *Leases*, for the year ended June 30, 2022. Accordingly, a restatement has been made to the City's fund balance/net position as of July 1, 2021, to restate beginning fund balance/net position. Our opinions are not modified with respect to this matter.

### ***Change in Accounting Principle***

As discussed in Note IV W to the financial statements, the City changed its method of accounting for the airport fund. This activity was previously reported in the general fund and capital projects fund. The airport fund is now accounted for in a separate enterprise fund. The City has retroactively restated the related fund balances and net position as of July 1, 2021. Our opinions are not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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



In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

#### ***Required Supplementary Information***

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

#### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining nonmajor fund financial statements and the schedule of expenditures of federal awards required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures

applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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.

#### ***Other Information***

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

#### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 2, 2023 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, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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  
May 2, 2023



## 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, 2022. 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 1-3 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 \$1,026,620,454 (*net position*). Of this amount, \$471,704,352 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 \$12,529,138, most of which was attributable to governmental-type activities, including Capital Projects and Federal Relief funds.
- As of the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$74,011,012, an increase of \$14,986,607 in comparison with the prior year's restated balance. Approximately 12.35% of this amount (\$9,140,823) 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 \$14,164,585, or approximately 41.0% of total General Fund expenditures.
- The City's total long-term outstanding debt decreased by \$9,633,187 during the current fiscal year.
- Within the City's business-type activities, expenses exceeded revenues by \$7,999,804. The City policy is to set rates that fund operational expenses of business-type activities and most capital improvements. The majority of the decrease in net position represents Mary Greeley's nonoperating investment losses of \$38.7 million.

### 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 City 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 25-27 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 25 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 22 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 28-31 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, airport, 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, printing, messenger, 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 32-36 of this report.

***Fiduciary Funds.*** Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are *not* reported in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The City maintains one type of fiduciary fund. One custodial fund reports resources held by the City in a custodial capacity for individuals, private organizations, and other governments.

The fiduciary fund financial statements can be found on page 37-38 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 39-95 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 (asset), obligation to provide other post-employment benefits to its employees, and budgetary comparisons. Required supplementary information can be found on pages 97-107 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 111-127 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 \$1,026,620,454 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

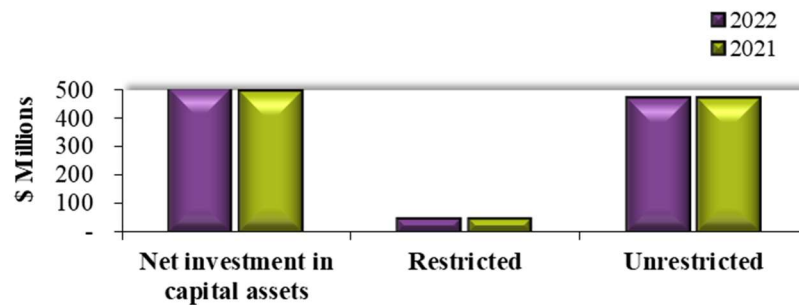
|                                   | Governmental Activities |                   | Business-Type Activities |                   | Total            |                   |
|-----------------------------------|-------------------------|-------------------|--------------------------|-------------------|------------------|-------------------|
|                                   | 2022                    | 2021, as restated | 2022                     | 2021, as restated | 2022             | 2021, as restated |
| Current and other assets          | \$ 134,704,297          | \$ 125,892,616    | \$ 578,133,854           | \$ 613,887,827    | \$ 712,838,151   | \$ 739,780,443    |
| Net capital assets                | 202,712,338             | 198,164,193       | 494,871,959              | 487,003,454       | 697,584,297      | 685,167,647       |
| Total assets                      | 337,416,635             | 324,056,809       | 1,073,005,813            | 1,100,891,281     | 1,410,422,448    | 1,424,948,090     |
| Deferred outflows of resources    | 5,831,028               | 9,983,026         | 18,931,059               | 25,399,353        | 24,762,087       | 35,382,379        |
| Long-term liabilities outstanding | 76,666,355              | 101,395,151       | 176,993,292              | 257,683,586       | 253,659,647      | 359,078,737       |
| Other liabilities                 | 9,808,591               | 16,148,448        | 33,073,623               | 33,799,325        | 42,882,214       | 49,947,773        |
| Total liabilities                 | 86,474,946              | 117,543,599       | 210,066,915              | 291,482,911       | 296,541,861      | 409,026,510       |
| Deferred inflows of resources     | 53,398,786              | 33,651,247        | 58,623,434               | 3,561,396         | 112,022,220      | 37,212,643        |
| Net position:                     |                         |                   |                          |                   |                  |                   |
| Net investment in capital assets  |                         |                   |                          |                   |                  |                   |
| assets                            | 156,680,795             | 155,290,908       | 347,429,640              | 340,520,232       | 504,110,435      | 495,811,140       |
| Restricted                        | 39,812,571              | 26,517,909        | 10,993,096               | 21,349,489        | 50,805,667       | 47,867,398        |
| Unrestricted                      | 6,880,565               | 1,036,172         | 464,823,787              | 469,376,606       | 471,704,352      | 470,412,778       |
| Total net position                | \$ 203,373,931          | \$ 182,844,989    | \$ 823,246,523           | \$ 831,246,327    | \$ 1,026,620,454 | \$ 1,014,091,316  |

The largest portion of the City's net position (49.10%) 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 (\$50,805,667 or 4.95%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$471,704,352 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.

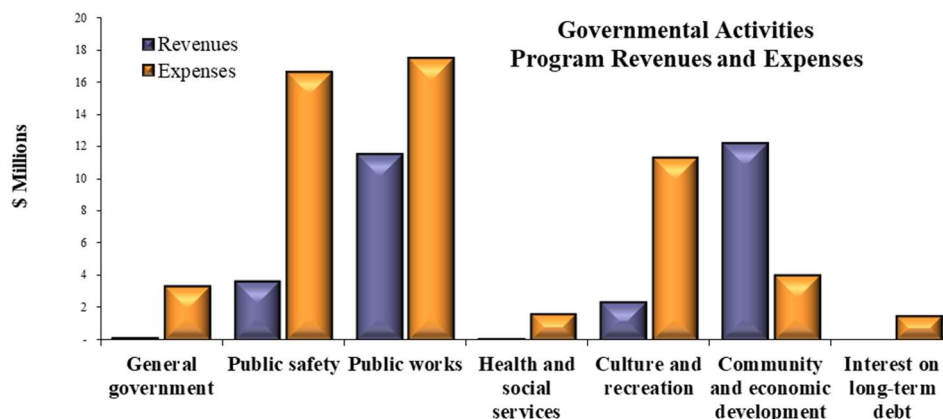
The following chart shows the components of net position for the years ended June 30, 2022 and 2021:



**Governmental Activities.** During the current fiscal year, net position for governmental activities increased \$20,528,942 after restatement of FY2021 funds for an ending balance of \$203,373,931. Taxes are the largest source of governmental revenue with property taxes of \$35,243,169 and local option sales taxes of \$11,231,768 in 2022. The \$501,145 increase in property tax collections in 2022 over 2021 is due to an increase in taxable valuation. Charges for services increased \$336,750 from 2021 revenues.

Governmental activity expenses decreased \$2,206,240 from 2021, or 3.80%, mainly due to change in reporting airport fund as an enterprise fund, when previously it was reported as a governmental fund.

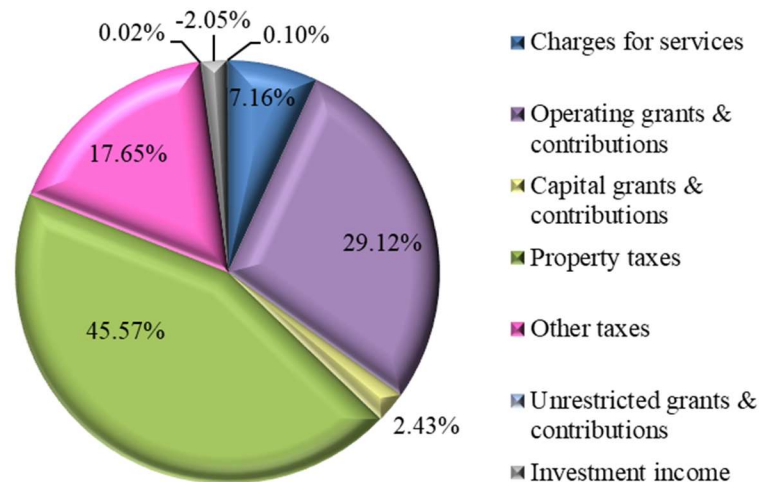
The following chart shows the expenses and related program revenues for the functions of governmental activities:



**City of Ames**  
**Changes in Net Position**  
**June 30, 2022**

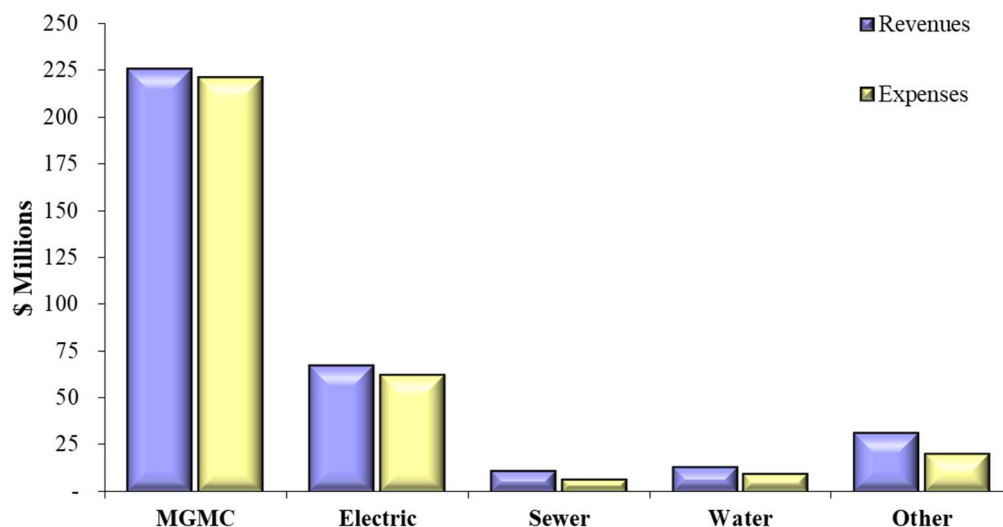
|  | Governmental Activities |                    | Business-Type Activities |                    | Total            |                    |
|--|-------------------------|--------------------|--------------------------|--------------------|------------------|--------------------|
|  | 2022                    | 2021, not restated | 2022                     | 2021, not restated | 2022             | 2021, not restated |
| Revenues:  |                         |                    |                          |                    |                  |                    |
| Program revenues                                 |                         |                    |                          |                    |                  |                    |
| Charges for services                             | \$ 5,535,224            | \$ 5,198,474       | \$ 325,823,138           | \$ 309,527,651     | \$ 331,358,362   | \$ 314,726,125     |
| Operating grants & contributions                 | 22,525,675              | 12,952,426         | 15,205,764               | 15,629,698         | 37,731,439       | 28,582,124         |
| Capital grants & contributions                   | 1,882,523               | 10,169,954         | 8,366,793                | 3,581,879          | 10,249,316       | 13,751,833         |
| General revenues                                 |                         |                    |                          |                    |                  |                    |
| Property taxes                                   | 35,243,169              | 34,742,024         | -                        | -                  | 35,243,169       | 34,742,024         |
| Other taxes                                      | 13,647,503              | 11,904,531         | -                        | -                  | 13,647,503       | 11,904,531         |
| Unrestricted grants & contributions              | 16,152                  | 21,126             | -                        | -                  | 16,152           | 21,126             |
| Investment earnings                              | (1,582,910)             | 436,298            | (40,796,262)             | 79,779,629         | (42,379,172)     | 80,215,927         |
| Other  | 75,019                  | 489,323            | 3,744,892                | 3,501,603          | 3,819,911        | 3,990,926          |
| Total revenues                                   | 77,342,355              | 75,914,156         | 312,344,325              | 412,020,460        | 389,686,680      | 487,934,616        |
| Expenses:  |                         |                    |                          |                    |                  |                    |
| General government                               | 3,343,575               | 3,722,100          | -                        | -                  | 3,343,575        | 3,722,100          |
| Public safety                                    | 16,610,543              | 21,464,000         | -                        | -                  | 16,610,543       | 21,464,000         |
| Public works                                     | 17,447,329              | 11,484,497         | -                        | -                  | 17,447,329       | 11,484,497         |
| Health & social services                         | 1,634,556               | 1,387,924          | -                        | -                  | 1,634,556        | 1,387,924          |
| Culture & recreation                             | 11,306,025              | 12,452,132         | -                        | -                  | 11,306,025       | 12,452,132         |
| Community & economic development                 | 4,030,738               | 6,381,948          | -                        | -                  | 4,030,738        | 6,381,948          |
| Interest on long-term debt                       | 1,474,802               | 1,161,207          | -                        | -                  | 1,474,802        | 1,161,207          |
| Mary Greeley Medical Center                      | -                       | -                  | 220,771,985              | 208,743,252        | 220,771,985      | 208,743,252        |
| Electric   | -                       | -                  | 62,489,331               | 59,123,227         | 62,489,331       | 59,123,227         |
| Sewer  | -                       | -                  | 6,788,649                | 6,933,018          | 6,788,649        | 6,933,018          |
| Water  | -                       | -                  | 9,720,409                | 10,563,721         | 9,720,409        | 10,563,721         |
| Airport  | -                       | -                  | 971,080                  | -                  | 971,080          | -                  |
| Parking  | -                       | -                  | 757,891                  | 842,179            | 757,891          | 842,179            |
| Transit  | -                       | -                  | 13,663,553               | 13,624,865         | 13,663,553       | 13,624,865         |
| Stormwater                                       | -                       | -                  | 840,274                  | 662,387            | 840,274          | 662,387            |
| Ames/ISU Ice Arena                               | -                       | -                  | 540,335                  | 557,566            | 540,335          | 557,566            |
| Homewood Golf Course                             | -                       | -                  | 266,379                  | 253,985            | 266,379          | 253,985            |
| Resource Recovery                                | -                       | -                  | 4,500,088                | 4,709,977          | 4,500,088        | 4,709,977          |
| Total expenses                                   | 55,847,568              | 58,053,808         | 321,309,974              | 306,014,177        | 377,157,542      | 364,067,985        |
| Increase in net position before transfers        | 21,494,787              | 17,860,348         | (8,965,649)              | 106,006,283        | 12,529,138       | 123,866,631        |
| Transfers  | (965,845)               | (1,036,017)        | 965,845                  | 1,036,017          | -                | -                  |
| Increase in net position                         | 20,528,942              | 16,824,331         | (7,999,804)              | 107,042,300        | 12,529,138       | 123,866,631        |
| Net position, beginning (as previously reported) | 192,125,054             | 175,300,723        | 821,966,262              | 714,923,962        | 1,014,091,316    | 890,224,685        |
| Net position restatement                         | (9,280,065)             | -                  | 9,280,065                | -                  | -                | -                  |
| Net position, beginning (as restated)            | 182,844,989             | 175,300,723        | 831,246,327              | 714,923,962        | 1,014,091,316    | 890,224,685        |
| Net position, ending                             | \$ 203,373,931          | \$ 192,125,054     | \$ 823,246,523           | \$ 821,966,262     | \$ 1,026,620,454 | \$ 1,014,091,316   |

The following chart shows revenues by source for governmental activities:



**Business-Type Activities.** The net position for business-type activities decreased by \$7,999,804, after 2021 restatements. The majority of this decrease is attributable to the hospital's total nonoperating losses of \$42.6 million, which largest component is nonoperating investment losses of \$38.7 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.

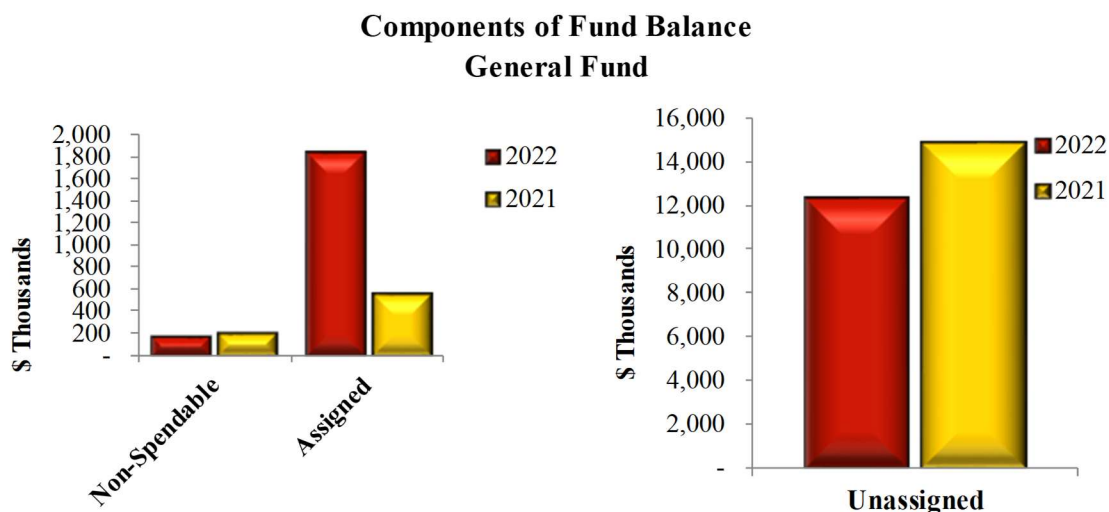
The City's governmental funds reported combined fund balances of \$74,011,012 at June 30, 2022, an increase of \$14,986,607 from the prior year. Approximately 12.35% of this amount (\$9,140,823) constitutes *unassigned fund balance*, which is available for spending at the City's discretion. The remainder of the fund balance is either *non-spendable*, *restricted*, *committed*, or *assigned* to indicate that it is 1) not in spendable form (\$1,172,975); 2) legally required to be maintained intact (\$2,067,397); 3) restricted for particular purposes (\$57,406,305); 4) committed for particular purposes (\$2,388,405); or 5) assigned for particular purposes (\$1,835,107).

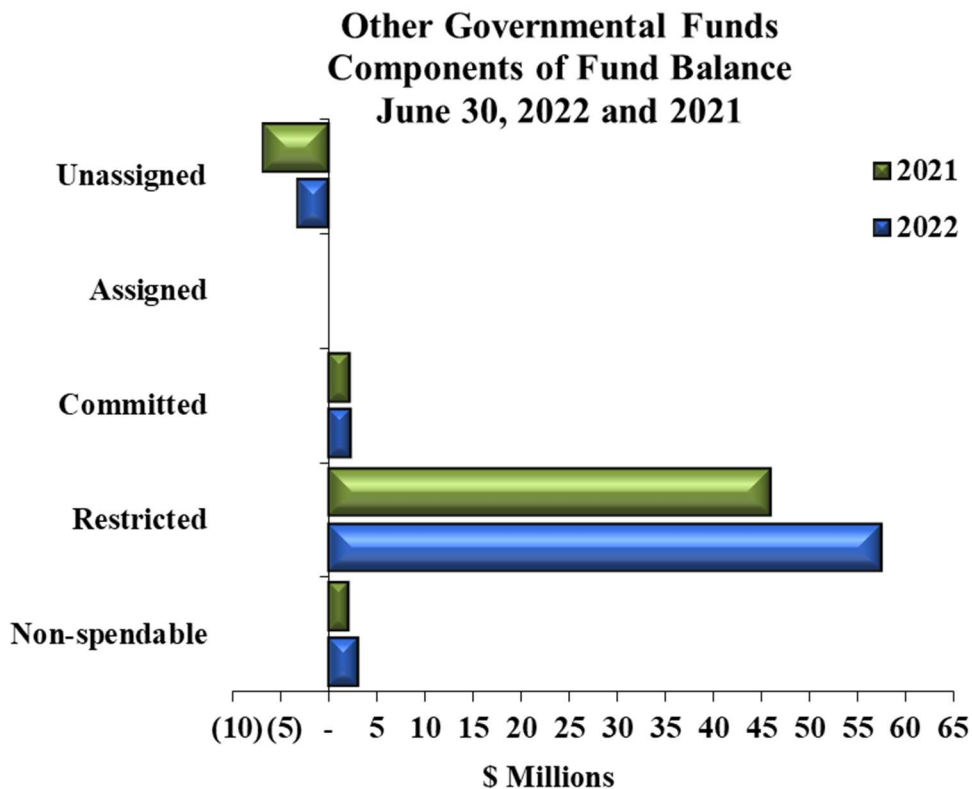
The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$12,329,478, while total fund balance decreased by \$1,260,892 to \$14,329,577. The ending fund balance is 42% of the fiscal year expenditures, exceeding the City's goal of 20% of expenditures.

The Capital Projects Fund had an increase of \$2,287,291 in fund balance during the fiscal year, which put the overall fund balance at \$22,512,299. 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 \$2 million at the end of the fiscal year, an increase of \$880,322 from the prior year.

The fund balances of other governmental funds increased by \$13,079,886 from the 2021 balances. A large part of this increase is in the Federal Relief Funds, with an increase in revenue due to funding requirements being defined.





**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, 2022, totaled \$810,713,538, of which 55.79% (\$452,290,802) is unrestricted. This is a \$8,544,447, or 1.05%, decrease in net position from last fiscal year's restated balance. On page 94 the \$9,280,065 restatement of moving airport funds from governmental to enterprise funds is detailed. The net position of the internal service funds is \$34,499,620, a \$1,048,196 increase in net position. Unrestricted net position accounts for \$24,448,184 (70.87%) of the total internal service fund net position balance.

Charges for services for the internal service funds increased 2.9% over the prior year.

### General Fund Budgetary Highlights

**Original Budget Compared to Final Budget.** There were three amendments to the City's 2022 budget. The first amendment was approved in September 2021, primarily to reflect carryovers of capital project expenditures from the prior year. The second and third amendments were approved in February and May of 2022 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 2021 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, 2022, amounts to \$697,584,297 (net of accumulated depreciation), an

increase of \$12,416,650 from prior year restated 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:

- \$1.7 million in traffic signal upgrades/replacements
- \$3.2 million in water line system improvements
- \$2.2 million for underground and overhead electric improvements
- \$3.3 million CyRide fleet vehicles
- \$6.5 million in Street Network improvements

Additional information on the City's capital assets can be found in note IV (E) on pages 56-57 of this report. The following shows capital assets, net of accumulated depreciation.

|                              | Governmental Activities |                       | Business-Type Activities |                       | Total                 |                       |
|------------------------------|-------------------------|-----------------------|--------------------------|-----------------------|-----------------------|-----------------------|
|                              | 2022                    | 2021, as restated     | 2022                     | 2021, as restated     | 2022                  | 2021, as restated     |
| Land                         | \$ 13,237,769           | \$ 13,237,769         | \$ 17,028,319            | \$ 15,977,402         | \$ 30,266,088         | \$ 29,215,171         |
| Other non-depreciable assets | 622,326                 | 611,826               | -                        | -                     | 622,326               | 611,826               |
| Depreciable assets           | 164,006,482             | 155,170,653           | 441,879,461              | 441,620,848           | 605,885,943           | 596,791,501           |
| Construction in progress     | 24,845,761              | 29,143,945            | 35,964,179               | 29,405,204            | 60,809,940            | 58,549,149            |
| Total                        | <u>\$ 202,712,338</u>   | <u>\$ 198,164,193</u> | <u>\$ 494,871,959</u>    | <u>\$ 487,003,454</u> | <u>\$ 697,584,297</u> | <u>\$ 685,167,647</u> |

**Long-term Debt.** At the end of the current fiscal year, the City had \$170,930,293 in outstanding bonded debt, as shown in the following chart. Of this amount, \$69,268,009 is debt backed by the full faith and credit of the government and \$101,662,284 is revenue bonds issued by proprietary funds.

|                               | Governmental Activities |                      | Business-Type Activities |                       | Total                 |                       |
|-------------------------------|-------------------------|----------------------|--------------------------|-----------------------|-----------------------|-----------------------|
|                               | 2022                    | 2021, as restated    | 2022                     | 2021, as restated     | 2022                  | 2021, as restated     |
| General obligation bonds, net | \$ 65,692,675           | \$ 64,196,018        | \$ 3,575,334             | \$ 4,259,031          | \$ 69,268,009         | \$ 68,455,049         |
| Revenue bonds                 | -                       | -                    | 101,662,284              | 108,824,332           | 101,662,284           | 108,824,332           |
| Loans payable                 | -                       | -                    | 54,542,182               | 57,826,281            | 54,542,182            | 57,826,281            |
| Total                         | <u>\$ 65,692,675</u>    | <u>\$ 64,196,018</u> | <u>\$ 159,779,800</u>    | <u>\$ 170,909,644</u> | <u>\$ 225,472,475</u> | <u>\$ 235,105,662</u> |

The City's total debt decreased by \$9,633,187 (-4.10%) during the current fiscal year. 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 2021-2022 fiscal year. The current debt limitation for the City is \$259,375,523. 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 80-87 of this report.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The following economic factors were considered in developing the fiscal year 2023 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 continued recovery from the COVID pandemic.
- A 5% increase in water pollution control utility rates to fund a portion of a capital improvement projects, and estimated operational expenses
- A 5% increase in storm water utility fees to cover the cost of maintaining the existing storm water system and cover the necessary cost for capital improvement plans.
- A 6.4% increase in the per ton tipping fee to support projects identified in the City's five-year capital improvement plan.
- No rate increase in electric or water rates.
- A decrease in property tax rate from \$9.87 to \$9.83 per \$1,000 of taxable valuation due to control of expenses, increase in taxable valuation, and improvement in other revenue
- A modest increase of \$51,850 in the amount of the City's support for transit to continue existing service levels and minimize the impact on ISU student fee support.
- An increase in full-time equivalents by 3.45 positions with additions of a new firefighter, reassignment of school resource officer back to the Police Department, a full-time evidence technician position in the Police Department, a full-time park maintenance worker position within the Park and Recreation Department, a full-time SCADA/controls Technician within the Water and Pollution Controls Department and two other park time positions at the Animal Shelter and Police Department.
- A 7.0% 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
- Estimated 10% growth in local option sales tax, primarily resulting from the increased growth of internet sales and general consumer sentiment.

**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





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**City of Ames**  
**Statement of Net Position**  
**June 30, 2022**

|   | Primary Government      |                          |               | Component Unit |
|---|-------------------------|--------------------------|---------------|----------------|
|   | Governmental Activities | Business-Type Activities | Total         |                |
| ASSETS  |                         |                          |               |                |
| Current assets:                                     |                         |                          |               |                |
| Cash and cash equivalents                           | \$ 19,538,964           | \$ 31,097,319            | \$ 50,636,283 | \$ 959,074     |
| Investments   | 81,086,855              | 68,046,392               | 149,133,247   | -              |
| Taxes receivable                                    | 43,759                  | -                        | 43,759        | -              |
| Special assessments receivable                      | 237,277                 | -                        | 237,277       | -              |
| Accrued interest receivable                         | 114,442                 | 89,072                   | 203,514       | -              |
| Accounts receivable, net                            | 450,263                 | 44,633,605               | 45,083,868    | -              |
| Leases receivable                                   | 2,180                   | 776,690                  | 778,870       | -              |
| Pledges receivable, net                             | -                       | -                        | -             | 146,617        |
| Intergovernmental receivable                        | 6,331,273               | 9,042,721                | 15,373,994    | -              |
| Loans receivable                                    | 886                     | -                        | 886           | -              |
| Internal balances                                   | (9,513,346)             | 9,513,346                | -             | -              |
| Inventories   | 1,100,318               | 9,570,398                | 10,670,716    | -              |
| Assets held for resale                              | -                       | -                        | -             | -              |
| Prepaid items                                       | 235,952                 | 4,647,486                | 4,883,438     | -              |
| Restricted current assets:                          |                         |                          |               |                |
| Cash and cash equivalents                           | -                       | 1,386,353                | 1,386,353     | -              |
| Investments   | -                       | 9,606,743                | 9,606,743     | -              |
| Accrued interest receivable                         | -                       | 17,022                   | 17,022        | -              |
| Total current assets                                | 99,628,823              | 188,427,147              | 288,055,970   | 1,105,691      |
| Non-current assets:                                 |                         |                          |               |                |
| Investments   | -                       | 25,907,444               | 25,907,444    | 14,474,077     |
| Succeeding year taxes receivable                    | 33,537,181              | -                        | 33,537,181    | -              |
| Long-term loans receivable                          | 2,136                   | -                        | 2,136         | -              |
| Long-term special assessments receivable            | 1,028,340               | -                        | 1,028,340     | -              |
| Other assets  | -                       | 8,720,590                | 8,720,590     | -              |
| Net pension asset                                   | 40,606                  | 1,554,099                | 1,594,705     | -              |
| Leases receivable                                   | 467,211                 | 1,939,260                | 2,406,471     | -              |
| Non-depreciable assets                              | 38,705,856              | 52,992,498               | 91,698,354    | -              |
| Depreciable assets, net of accumulated depreciation | 164,006,482             | 441,879,461              | 605,885,943   | -              |
| Restricted non-current assets:                      |                         |                          |               |                |
| Long-term investments                               | -                       | 351,585,314              | 351,585,314   | -              |
| Total non-current assets                            | 237,787,812             | 884,578,666              | 1,122,366,478 | 14,474,077     |
| Total assets  | 337,416,635             | 1,073,005,813            | 1,410,422,448 | 15,579,768     |
| DEFERRED OUTFLOWS OF RESOURCES                      |                         |                          |               |                |
| Deferred charge on refunding                        | -                       | 5,189,118                | 5,189,118     | -              |
| Deferred outflows related to OPEB                   | 543,324                 | 929,591                  | 1,472,915     | -              |
| Deferred outflows related to pensions               | 5,287,704               | 12,812,350               | 18,100,054    | -              |
| Total deferred outflows of resources                | 5,831,028               | 18,931,059               | 24,762,087    | -              |

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

**City of Ames**  
**Statement of Net Position (continued)**  
**June 30, 2022**

|  | Primary Government      |                          |                  |                |
|--|-------------------------|--------------------------|------------------|----------------|
|  | Governmental Activities | Business-Type Activities | Total            | Component Unit |
| <b>LIABILITIES</b>                     |                         |                          |                  |                |
| Current liabilities:                   |                         |                          |                  |                |
| Accounts payable                       | 3,002,928               | 14,479,442               | 17,482,370       | 432,721        |
| Accrued payroll                        | 317,570                 | 7,777,389                | 8,094,959        | -              |
| Accrued compensated absences           | 129,177                 | 663,963                  | 793,140          | -              |
| Accrued interest payable               | 171,379                 | 261,689                  | 433,068          | -              |
| Retainage payable                      | 415,252                 | 3,140,164                | 3,555,416        | -              |
| Customer deposits                      | 758,250                 | 950,352                  | 1,708,602        | -              |
| Intergovernmental payable              | 566,979                 | 186,053                  | 753,032          | -              |
| Claims payable                         | 568,855                 | 2,133,243                | 2,702,098        | -              |
| Loans payable                          | -                       | 3,338,099                | 3,338,099        | -              |
| Notes payable                          | -                       | -                        | -                | -              |
| Accrued other                          | -                       | 2,457,275                | 2,457,275        | -              |
| Lease liabilities                      | 48,709                  | 539,461                  | 588,170          | -              |
| Bonds payable, net                     | 8,765,498               | 8,662,001                | 17,427,499       | -              |
| Unearned revenue                       | 4,007,378               | 1,688,016                | 5,695,394        | -              |
| Accrued landfill post-closure costs    | -                       | 15,246                   | 15,246           | -              |
| Total current liabilities              | 18,751,975              | 46,292,393               | 65,044,368       | 432,721        |
| Non-current liabilities:               |                         |                          |                  |                |
| Accrued compensated absences           | 2,380,368               | 8,324,699                | 10,705,067       | -              |
| Accrued other post-employment benefits | 1,608,716               | 5,667,514                | 7,276,230        | -              |
| Net pension liability                  | 6,790,445               | 1,061,837                | 7,852,282        | -              |
| Claims payable                         | -                       | -                        | -                | -              |
| Annuities payable                      | -                       | -                        | -                | -              |
| Loans payable                          | -                       | 51,204,082               | 51,204,082       | -              |
| Notes payable                          | -                       | -                        | -                | -              |
| Bonds payable, net                     | 56,927,176              | 96,575,617               | 153,502,793      | -              |
| Lease liabilities                      | 16,266                  | 873,443                  | 889,709          | -              |
| Accrued landfill post-closure costs    | -                       | 67,330                   | 67,330           | -              |
| Total non-current liabilities          | 67,722,971              | 163,774,522              | 231,497,493      | -              |
| Total liabilities                      | 86,474,946              | 210,066,915              | 296,541,861      | 432,721        |
| <b>DEFERRED INFLOWS OF RESOURCES</b>   |                         |                          |                  |                |
| Succeeding year property taxes         | 33,537,181              | -                        | 33,537,181       | -              |
| Deferred charge on refunding           | 468,562                 | 14,604                   | 483,166          | -              |
| Deferred inflows related to leases     | 450,492                 | 2,623,853                | 3,074,345        | -              |
| Deferred inflows related to OPEB       | 225,451                 | 679,033                  | 904,484          | -              |
| Deferred inflows related to pensions   | 18,717,100              | 55,305,944               | 74,023,044       | -              |
| Total deferred inflows of resources    | 53,398,786              | 58,623,434               | 112,022,220      | -              |
| <b>NET POSITION</b>                    |                         |                          |                  |                |
| Net investment in capital assets       | 156,680,795             | 347,429,640              | 504,110,435      | -              |
| Restricted:                            |                         |                          |                  |                |
| Expendable for:                        |                         |                          |                  |                |
| Debt service                           | 3,649,071               | 10,993,096               | 14,642,167       | -              |
| Capital projects                       | 12,436,925              | -                        | 12,436,925       | -              |
| Public safety                          | 356,038                 | -                        | 356,038          | -              |
| Employee benefits                      | 155,198                 | -                        | 155,198          | -              |
| Library services                       | 430,588                 | -                        | 430,588          | -              |
| Aquatic center                         | 80,414                  | -                        | 80,414           | -              |
| Community welfare                      | 4,820                   | -                        | 4,820            | -              |
| Housing services                       | 9,712                   | -                        | 9,712            | -              |
| Economic development                   | 1,502,648               | -                        | 1,502,648        | -              |
| Community betterment                   | 19,119,760              | -                        | 19,119,760       | -              |
| Mary Greeley Medical Center            | -                       | -                        | -                | 10,466,589     |
| Non-expendable for:                    |                         |                          |                  |                |
| Perpetual care                         | 1,067,397               | -                        | 1,067,397        | -              |
| Aquatic center                         | 1,000,000               | -                        | 1,000,000        | -              |
| Bliss Cancer Endowment Fund            | -                       | -                        | -                | 253,390        |
| Unrestricted                           | 6,880,565               | 464,823,787              | 471,704,352      | 4,427,068      |
| Total net position                     | \$ 203,373,931          | \$ 823,246,523           | \$ 1,026,620,454 | \$ 15,147,047  |

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

**City of Ames**  
**Statement of Activities**  
**For the Year Ended June 30, 2022**

| 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            |                |
| <b>Primary government:</b>             |                  |                      |                                    |                                  |   |                          |                  |                |
| Governmental activities:               |                  |                      |                                    |                                  |   |                          |                  |                |
| General government                     | \$ 3,343,575     | \$ 106,659           | \$ 43,717                          | \$ -                             | \$ (3,193,199)                                    | \$ -                     | \$ (3,193,199)   | \$ -           |
| Public safety                          | 16,610,543       | 3,406,960            | 224,030                            | -                                | (12,979,553)                                      | -                        | (12,979,553)     | -              |
| Public works                           | 17,447,329       | 119,170              | 9,575,155                          | 1,882,523                        | (5,870,481)                                       | -                        | (5,870,481)      | -              |
| Health and social services             | 1,634,556        | -                    | 23,915                             | -                                | (1,610,641)                                       | -                        | (1,610,641)      | -              |
| Culture and recreation                 | 11,306,025       | 1,879,755            | 474,047                            | -                                | (8,952,223)                                       | -                        | (8,952,223)      | -              |
| Community and economic development     | 4,030,738        | 22,680               | 12,184,811                         | -                                | 8,176,753   | -                        | 8,176,753        | -              |
| Interest                               | 1,474,802        | -                    | -                                  | -                                | (1,474,802)                                       | -                        | (1,474,802)      | -              |
| Total governmental activities          | 55,847,568       | 5,535,224            | 22,525,675                         | 1,882,523                        | (25,904,146)                                      | -                        | (25,904,146)     | -              |
| Business-type activities:              |                  |                      |                                    |                                  |   |                          |                  |                |
| Mary Greeley Medical Center            | 220,771,985      | 221,854,322          | 2,081,593                          | 1,424,473                        | -   | 4,588,403                | 4,588,403        | -              |
| Electric                               | 62,489,331       | 67,655,268           | 78,670                             | -                                | -   | 5,244,607                | 5,244,607        | -              |
| Sewer                                  | 6,788,649        | 9,027,049            | 1,334,367                          | 704,031                          | -   | 4,276,798                | 4,276,798        | -              |
| Water                                  | 9,720,409        | 11,959,469           | 2,093                              | 1,152,005                        | -   | 3,393,158                | 3,393,158        | -              |
| Airport                                | 971,080          | 244,473              | 589,321                            | -                                | -   | (137,286)                | (137,286)        | -              |
| Parking                                | 757,891          | 952,298              | -                                  | -                                | -   | 194,407                  | 194,407          | -              |
| Transit                                | 13,663,553       | 7,062,349            | 7,997,119                          | 3,694,231                        | -   | 5,090,146                | 5,090,146        | -              |
| Stormwater                             | 840,274          | 1,890,675            | 3,122,601                          | 1,372,053                        | -   | 5,545,055                | 5,545,055        | -              |
| Ice arena                              | 540,335          | 529,289              | -                                  | 20,000                           | -   | 8,954                    | 8,954            | -              |
| Golf course                            | 266,379          | 348,492              | -                                  | -                                | -   | 82,113                   | 82,113           | -              |
| Resource recovery                      | 4,500,088        | 4,299,454            | -                                  | -                                | -   | (200,634)                | (200,634)        | -              |
| Total business-type activities         | 321,309,974      | 325,823,138          | 15,205,764                         | 8,366,793                        | -   | 28,085,721               | 28,085,721       | -              |
| Total primary government               | \$ 377,157,542   | \$ 331,358,362       | \$ 37,731,439                      | \$ 10,249,316                    | (25,904,146)                                      | 28,085,721               | 2,181,575        | -              |
| <b>Component unit:</b>                 |                  |                      |                                    |                                  |   |                          |                  |                |
| Mary Greeley Medical Center Foundation | \$ 3,164,661     | \$ -                 | \$ 1,909,770                       | \$ -                             |   |                          |                  | (1,254,891)    |
| General revenues:                      |                  |                      |                                    |                                  |   |                          |                  |                |
| Property taxes                         |                  |                      |                                    |                                  | 35,243,169  | -                        | 35,243,169       | -              |
| Sales taxes                            |                  |                      |                                    |                                  | 11,231,768  | -                        | 11,231,768       | -              |
| Hotel/motel taxes                      |                  |                      |                                    |                                  | 2,415,735   | -                        | 2,415,735        | -              |
| Unrestricted grants and contributions  |                  |                      |                                    |                                  | 16,152  | -                        | 16,152           | -              |
| Investment income                      |                  |                      |                                    |                                  | (1,582,910)                                       | (40,796,262)             | (42,379,172)     | (1,961,677)    |
| Other income                           |                  |                      |                                    |                                  | 58,780  | 3,744,892                | 3,803,672        | -              |
| Gain on disposal of capital assets     |                  |                      |                                    |                                  | 16,239  | -                        | 16,239           | -              |
| Transfers                              |                  |                      |                                    |                                  | (965,845)   | 965,845                  | -                | -              |
| Total general revenues and transfers   |                  |                      |                                    |                                  | 46,433,088  | (36,085,525)             | 10,347,563       | (1,961,677)    |
| Change in net position                 |                  |                      |                                    |                                  | 20,528,942  | (7,999,804)              | 12,529,138       | (3,216,568)    |
| Net position, beginning, as restated   |                  |                      |                                    |                                  | 182,844,989                                       | 831,246,327              | 1,014,091,316    | 18,363,615     |
| Net position, ending                   |                  |                      |                                    |                                  | \$ 203,373,931                                    | \$ 823,246,523           | \$ 1,026,620,454 | \$ 15,147,047  |

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

**City of Ames  
Balance Sheet  
Governmental Funds  
June 30, 2022**

|  | General              | Capital<br>Projects  | Debt<br>Service      | Total<br>Nonmajor<br>Funds | Total<br>Governmental<br>Funds |
|--|----------------------|----------------------|----------------------|----------------------------|--------------------------------|
| <b>ASSETS</b>  |                      |                      |                      |                            |                                |
| Cash and cash equivalents  | \$ 2,507,084         | \$ 2,704,808         | \$ 396,309           | \$ 8,846,134               | \$ 14,454,335                  |
| Investments  | 10,485,253           | 21,802,144           | 1,666,346            | 29,211,783                 | 63,165,526                     |
| Taxes receivable   | 27,295               | -                    | 13,282               | 3,182                      | 43,759                         |
| Special assessments receivable   | -                    | 237,277              | -                    | -                          | 237,277                        |
| Accrued interest receivable  | 43,285               | 40,548               | 2,939                | 4,019                      | 90,791                         |
| Accounts receivable, net   | 294,364              | -                    | -                    | 5,786                      | 300,150                        |
| Intergovernmental receivable   | 1,404,838            | 2,319,680            | 10,929               | 2,565,033                  | 6,300,480                      |
| Loans receivable - current   | -                    | -                    | -                    | 886                        | 886                            |
| Leases receivable - current  | 2,180                | -                    | -                    | -                          | 2,180                          |
| Due from other funds   | 1,859,931            | -                    | 483,065              | 1,996,738                  | 4,339,734                      |
| Inventories  | 11,007               | -                    | -                    | 961,353                    | 972,360                        |
| Prepaid items  | 153,985              | -                    | -                    | 46,630                     | 200,615                        |
| Succeeding year taxes receivable                                       | 20,748,159           | -                    | 10,606,127           | 2,182,895                  | 33,537,181                     |
| Lease receivable - long term   | 467,211              | -                    | -                    | -                          | 467,211                        |
| Long-term loans receivable   | -                    | -                    | -                    | 2,136                      | 2,136                          |
| Long-term special assessments receivable                               | -                    | 1,028,340            | -                    | -                          | 1,028,340                      |
| Total assets   | <u>\$ 38,004,592</u> | <u>\$ 28,132,797</u> | <u>\$ 13,178,997</u> | <u>\$ 45,826,575</u>       | <u>\$ 125,142,961</u>          |
| <b>LIABILITIES</b>   |                      |                      |                      |                            |                                |
| Accounts payable   | \$ 464,110           | \$ 1,011,466         | \$ -                 | \$ 1,270,192               | \$ 2,745,768                   |
| Accrued payroll  | 172,212              | 17,227               | -                    | 110,871                    | 300,310                        |
| Retainage payable  | 28,881               | 326,992              | -                    | 59,379                     | 415,252                        |
| Customer deposits  | 29,433               | -                    | -                    | 728,817                    | 758,250                        |
| Intergovernmental payable  | 479,239              | -                    | -                    | 2,469                      | 481,708                        |
| Due to other funds   | 1,285,125            | 681,786              | 482,331              | 1,768,308                  | 4,217,550                      |
| Unearned revenue   | -                    | -                    | -                    | 4,007,378                  | 4,007,378                      |
| Total liabilities  | <u>2,459,000</u>     | <u>2,037,471</u>     | <u>482,331</u>       | <u>7,947,414</u>           | <u>12,926,216</u>              |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                   |                      |                      |                      |                            |                                |
| Unavailable revenue:   |                      |                      |                      |                            |                                |
| Property taxes   | 20,748,159           | -                    | 10,606,127           | 2,182,895                  | 33,537,181                     |
| Special assessments  | -                    | 1,265,617            | -                    | -                          | 1,265,617                      |
| Charges for services   | 9,080                | -                    | -                    | -                          | 9,080                          |
| Leases   | 450,492              | -                    | -                    | -                          | 450,492                        |
| Licenses and permits   | 8,284                | -                    | -                    | -                          | 8,284                          |
| Grants   | -                    | 2,317,410            | -                    | 617,669                    | 2,935,079                      |
| Total deferred inflows of resources                                    | <u>21,216,015</u>    | <u>3,583,027</u>     | <u>10,606,127</u>    | <u>2,800,564</u>           | <u>38,205,733</u>              |
| <b>FUND BALANCES</b>   |                      |                      |                      |                            |                                |
| Non-spendable  | 164,992              | -                    | -                    | 3,075,380                  | 3,240,372                      |
| Restricted   | -                    | 23,794,392           | 2,090,539            | 31,521,374                 | 57,406,305                     |
| Committed  | -                    | 1,240,669            | -                    | 1,147,736                  | 2,388,405                      |
| Assigned   | 1,835,107            | -                    | -                    | -                          | 1,835,107                      |
| Unassigned   | 12,329,478           | (2,522,762)          | -                    | (665,893)                  | 9,140,823                      |
| Total fund balances  | <u>14,329,577</u>    | <u>22,512,299</u>    | <u>2,090,539</u>     | <u>35,078,597</u>          | <u>74,011,012</u>              |
| Total liabilities, deferred inflows of<br>resources, and fund balances | <u>\$ 38,004,592</u> | <u>\$ 28,132,797</u> | <u>\$ 13,178,997</u> | <u>\$ 45,826,575</u>       | <u>\$ 125,142,961</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, 2022**

Amounts reported for governmental activities in +A2:B47the statement of net position (page 26-27) are different because:

|  |                       |
|--|-----------------------|
| Fund balance - total governmental funds (page 29)  | \$ 74,011,012         |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.  | 192,660,902           |
| 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  | 1,265,617             |
| Other revenues   | 2,952,444             |
| 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   | 5,107,600             |
| Deferred inflows of resources  | (18,088,062)          |
| 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   | 499,532               |
| Deferred inflows of resources  | (206,810)             |
| 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. | 21,966,635            |
| 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   | (59,281,586)          |
| Interest payable on general obligation bonds   | (171,379)             |
| Deferred charges on general obligation bonds refunded  | (468,562)             |
| Unamortized premiums on the issuance of general obligation bonds   | (6,411,089)           |
| Lease liabilities on leased assets   | (64,975)              |
| Accrued compensated absences   | (2,377,630)           |
| Total other post-employment benefits payable   | (1,475,338)           |
| Net pension liability  | (6,544,380)           |
| Net position of governmental activities  | <u>\$ 203,373,931</u> |

The notes to the 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, 2022**

|  | General              | Capital<br>Projects  | Debt<br>Service     | Total<br>Nonmajor<br>Funds | Total<br>Governmental<br>Funds |
|--|----------------------|----------------------|---------------------|----------------------------|--------------------------------|
| <b>REVENUES</b>  |                      |                      |                     |                            |                                |
| Taxes  | \$ 20,584,293        | \$ -                 | \$ 10,270,357       | \$ 18,036,023              | \$ 48,890,673                  |
| Special assessments  | -                    | 250,101              | -                   | -                          | 250,101                        |
| Licenses and permits   | 1,204,048            | -                    | -                   | -                          | 1,204,048                      |
| Intergovernmental  | 506,440              | 3,787,224            | 43,717              | 21,395,895                 | 25,733,276                     |
| Charges for services   | 4,257,685            | -                    | -                   | 29,356                     | 4,287,041                      |
| Fines and forfeitures  | 30,690               | -                    | -                   | -                          | 30,690                         |
| Investment income  | (660,263)            | (370,832)            | (67,899)            | (66,872)                   | (1,165,866)                    |
| Interest revenue   | 23,510               | -                    | -                   | -                          | 23,510                         |
| Miscellaneous  | 235,128              | 57,469               | -                   | 56,378                     | 348,975                        |
| Total revenues   | <u>26,181,531</u>    | <u>3,723,962</u>     | <u>10,246,175</u>   | <u>39,450,780</u>          | <u>79,602,448</u>              |
| <b>EXPENDITURES</b>  |                      |                      |                     |                            |                                |
| Current:   |                      |                      |                     |                            |                                |
| General government   | 2,894,169            | 120,602              | 30,502              | 482,306                    | 3,527,579                      |
| Public safety  | 19,525,219           | -                    | -                   | 135,528                    | 19,660,747                     |
| Public works   | 1,117,282            | -                    | -                   | 6,479,024                  | 7,596,306                      |
| Health and social services                                   | -                    | -                    | -                   | 1,634,714                  | 1,634,714                      |
| Culture and recreation                                       | 8,773,252            | -                    | -                   | 648,587                    | 9,421,839                      |
| Community and economic development                           | 984,823              | -                    | -                   | 3,113,940                  | 4,098,763                      |
| Debt service:  |                      |                      |                     |                            |                                |
| Principal  | -                    | -                    | 19,221,616          | -                          | 19,221,616                     |
| Interest and fiscal charges                                  | -                    | -                    | 2,316,384           | -                          | 2,316,384                      |
| Capital outlay   | 638,203              | 13,488,592           | -                   | 3,737,136                  | 17,863,931                     |
| Total expenditures   | <u>33,932,948</u>    | <u>13,609,194</u>    | <u>21,568,502</u>   | <u>16,231,235</u>          | <u>85,341,879</u>              |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(7,751,417)</u>   | <u>(9,885,232)</u>   | <u>(11,322,327)</u> | <u>23,219,545</u>          | <u>(5,739,431)</u>             |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                      |                      |                     |                            |                                |
| Transfers in   | 11,735,851           | 1,517,576            | 1,549,738           | 138,180                    | 14,941,345                     |
| Transfers out  | (5,245,326)          | (479,025)            | -                   | (10,277,839)               | (16,002,190)                   |
| General obligation bonds issued                              | -                    | 9,850,000            | -                   | -                          | 9,850,000                      |
| Premium on general obligation bonds                          | -                    | 1,283,972            | -                   | -                          | 1,283,972                      |
| Refunding bonds issued                                       | -                    | -                    | 9,372,505           | -                          | 9,372,505                      |
| Premium on refunding bonds                                   | -                    | -                    | 1,280,406           | -                          | 1,280,406                      |
| Total other financing sources (uses)                         | <u>6,490,525</u>     | <u>12,172,523</u>    | <u>12,202,649</u>   | <u>(10,139,659)</u>        | <u>20,726,038</u>              |
| Net change in fund balances                                  | (1,260,892)          | 2,287,291            | 880,322             | 13,079,886                 | 14,986,607                     |
| Fund balances, beginning, as restated                        | <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>              |
| Fund balances, ending  | <u>\$ 14,329,577</u> | <u>\$ 22,512,299</u> | <u>\$ 2,090,539</u> | <u>\$ 35,078,597</u>       | <u>\$ 74,011,012</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, 2022**

Amounts reported for governmental activities in the statement of activities (page 28) are different because:

|  |                             |
|--|-----------------------------|
| Net changes in fund balances - total governmental funds (page 31)  | \$ 14,986,607               |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.   |                             |
| Special assessments  | (196,494)                   |
| Other revenues   | (2,396,696)                 |
| Contributed capital assets do not provide current financial resources.   | 757,414                     |
| 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   | 15,547,770                  |
| Disposals  | (2,758)                     |
| Depreciation expense   | (10,897,751)                |
| 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  | (2,564,378)                 |
| Amortization of bond premiums  | 788,281                     |
| Amortization of deferred charges on refunding debt   | 55,093                      |
| Proceeds from issuance of bonds  | (19,222,505)                |
| Principal payments   | 19,221,616                  |
| Interest payments  | (1,792)                     |
| The change in deferred outflows of resources and deferred inflows of resources is not recorded in the governmental funds.  | (21,573,792)                |
| 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   | (3,487)                     |
| Increase in accrued other post-employment benefits   | (164,173)                   |
| Decrease in net pension liability  | 25,666,296                  |
| 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.   | <u>529,691</u>              |
| Changes in net position of governmental activities   | <u><u>\$ 20,528,942</u></u> |

**City of Ames**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2022**

|                                       | Business-Type Activities          |               |              |              |                              |               | Governmental Activities      |
|---------------------------------------|-----------------------------------|---------------|--------------|--------------|------------------------------|---------------|------------------------------|
|                                       | Mary Greeley<br>Medical<br>Center | Electric      | Sewer        | Water        | Other<br>Enterprise<br>Funds | Totals        | Internal<br>Service<br>Funds |
| <b>ASSETS</b>                         |                                   |               |              |              |                              |               |                              |
| Current assets:                       |                                   |               |              |              |                              |               |                              |
| Cash and cash equivalents             | \$ 18,789,018                     | \$ -          | \$ 1,916,562 | \$ 3,459,467 | \$ 6,084,346                 | \$ 30,249,393 | \$ 5,932,555                 |
| Investments                           | -                                 | 23,873,519    | 7,024,759    | 13,567,320   | 20,693,207                   | 65,158,805    | 20,808,916                   |
| Accrued interest receivable           | -                                 | 30,004        | 9,299        | 18,495       | 27,421                       | 85,219        | 27,504                       |
| Accounts receivable, net              | 33,602,278                        | 7,994,937     | 997,695      | 1,415,750    | 608,956                      | 44,619,616    | 164,102                      |
| Leases receivable                     | 733,255                           | -             | -            | 43,256       | 179                          | 776,690       | -                            |
| Due from other funds                  | -                                 | 140,515       | 49,434       | 130,491      | 737,866                      | 1,058,306     | 853,645                      |
| Intergovernmental receivable          | -                                 | 1,243,690     | 1,299,474    | 575,030      | 5,924,527                    | 9,042,721     | 30,793                       |
| Inventories                           | 4,698,561                         | 4,144,382     | -            | 362,217      | 365,238                      | 9,570,398     | 127,958                      |
| Prepaid items                         | 4,601,347                         | 26,742        | -            | 1,147        | 18,250                       | 4,647,486     | 35,337                       |
| Restricted current assets:            |                                   |               |              |              |                              |               |                              |
| Cash and cash equivalents             | -                                 | 1,030,546     | 45,095       | 310,712      | -                            | 1,386,353     | -                            |
| Investments                           | 9,606,743                         | -             | -            | -            | -                            | 9,606,743     | -                            |
| Interest receivable                   | 17,022                            | -             | -            | -            | -                            | 17,022        | -                            |
| Total current assets                  | 72,048,224                        | 38,484,335    | 11,342,318   | 19,883,885   | 34,459,990                   | 176,218,752   | 27,980,810                   |
| Non-current assets:                   |                                   |               |              |              |                              |               |                              |
| Investments                           | -                                 | 25,907,444    | -            | -            | -                            | 25,907,444    | -                            |
| Other assets                          | 8,720,590                         | -             | -            | -            | -                            | 8,720,590     | -                            |
| Net pension asset                     | 355,028                           | 809,978       | -            | 310,284      | 71,098                       | 1,546,388     | 48,317                       |
| Leases receivable                     | 1,354,051                         | -             | -            | 547,933      | 37,276                       | 1,939,260     | -                            |
| Capital assets:                       |                                   |               |              |              |                              |               |                              |
| Land                                  | 4,470,719                         | 2,223,783     | 3,860,600    | 2,678,902    | 3,794,315                    | 17,028,319    | -                            |
| Land improvements                     | 1,454,706                         | -             | -            | -            | 19,530,431                   | 20,985,137    | 192,433                      |
| Plant and distribution systems        | -                                 | 221,965,803   | 99,588,892   | 129,310,046  | -                            | 450,864,741   | -                            |
| Buildings                             | 256,272,882                       | -             | -            | -            | 44,880,389                   | 301,153,271   | 1,131,640                    |
| Equipment                             | 119,491,538                       | -             | -            | -            | 44,266,504                   | 163,758,042   | 21,442,573                   |
| Leased equipment                      | 2,470,158                         | -             | -            | -            | 32,932                       | 2,503,090     | -                            |
| Construction in progress              | 9,592,910                         | 10,281,295    | 8,179,132    | 1,225,579    | 6,685,262                    | 35,964,178    | -                            |
| Less accumulated depreciation         | (211,027,074)                     | (135,024,649) | (59,673,399) | (28,230,488) | (63,429,209)                 | (497,384,819) | (12,715,210)                 |
| Restricted non-current assets:        |                                   |               |              |              |                              |               |                              |
| Investments                           | 351,585,314                       | -             | -            | -            | -                            | 351,585,314   | -                            |
| Total non-current assets              | 544,740,822                       | 126,163,654   | 51,955,225   | 105,842,256  | 55,868,998                   | 884,570,955   | 10,099,753                   |
| Total assets                          | 616,789,046                       | 164,647,989   | 63,297,543   | 125,726,141  | 90,328,988                   | 1,060,789,707 | 38,080,563                   |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b> |                                   |               |              |              |                              |               |                              |
| Deferred charge on refunding          | 5,189,118                         | -             | -            | -            | -                            | 5,189,118     | -                            |
| Deferred outflows related to OPEB     | 482,256                           | 185,092       | 46,332       | 57,491       | 156,971                      | 928,142       | 45,241                       |
| Deferred outflows related to pensions | 10,859,575                        | 412,213       | 150,896      | 115,395      | 1,258,539                    | 12,796,618    | 195,836                      |
|                                       | 16,530,949                        | 597,305       | 197,228      | 172,886      | 1,415,510                    | 18,913,878    | 241,077                      |

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

**City of Ames**  
**Statement of Net Position (continued)**  
**Proprietary Funds**  
**June 30, 2022**

|   | Business-Type Activities          |                |               |               |                              | Governmental Activities |                              |
|---|-----------------------------------|----------------|---------------|---------------|------------------------------|-------------------------|------------------------------|
|   | Mary Greeley<br>Medical<br>Center | Electric       | Sewer         | Water         | Other<br>Enterprise<br>Funds | Totals                  | Internal<br>Service<br>Funds |
| <b>LIABILITIES</b>  |                                   |                |               |               |                              |                         |                              |
| Current liabilities:  |                                   |                |               |               |                              |                         |                              |
| Accounts payable  | 8,461,574                         | 4,239,406      | 575,786       | 172,944       | 968,762                      | 14,418,472              | 318,130                      |
| Accrued payroll   | 7,350,650                         | 165,802        | 10,664        | 34,063        | 216,210                      | 7,777,389               | 17,260                       |
| Accrued compensated absences  | 574,114                           | 35,450         | 6,815         | 11,911        | 35,153                       | 663,443                 | 7,575                        |
| Due to other funds  | -                                 | 447,958        | 289,817       | 258,809       | 906,798                      | 1,903,382               | 130,752                      |
| Claims payable  | 684,848                           | -              | -             | -             | -                            | 684,848                 | 2,017,250                    |
| Retainage payable   | 1,582,809                         | 865,855        | 365,978       | 86,441        | 239,081                      | 3,140,164               | -                            |
| Customer deposits   | -                                 | 950,352        | -             | -             | -                            | 950,352                 | -                            |
| Accrued interest  | 134,050                           | 29,898         | 13,919        | 80,654        | 3,168                        | 261,689                 | -                            |
| Loans payable   | 114,099                           | -              | 441,000       | 2,783,000     | -                            | 3,338,099               | -                            |
| Intergovernmental payable   | -                                 | 101,746        | 7,156         | 54,637        | 22,514                       | 186,053                 | 85,271                       |
| Accrued landfill post-closure costs   | -                                 | -              | -             | -             | 15,246                       | 15,246                  | -                            |
| Accrued other   | 2,457,275                         | -              | -             | -             | -                            | 2,457,275               | -                            |
| Lease liabilities   | 528,720                           | -              | -             | -             | 10,741                       | 539,461                 | -                            |
| Bonds payable, net  | 7,087,203                         | 916,998        | 352,162       | 114,550       | 191,088                      | 8,662,001               | -                            |
| Unearned revenue  | -                                 | -              | 1,497,167     | 182,378       | 8,471                        | 1,688,016               | -                            |
| Total current liabilities   | 28,975,342                        | 7,753,465      | 3,560,464     | 3,779,387     | 2,617,232                    | 46,685,890              | 2,576,238                    |
| Non-current liabilities:  |                                   |                |               |               |                              |                         |                              |
| Accrued compensated absences  | 6,819,893                         | 565,149        | 113,830       | 208,121       | 611,982                      | 8,318,975               | 130,585                      |
| Accrued other post-employment benefits  | 4,384,841                         | 541,657        | 143,226       | 168,992       | 425,527                      | 5,664,243               | 136,649                      |
| Net pension liability   | -                                 | -              | 86,797        | -             | 975,040                      | 1,061,837               | 246,065                      |
| Loans payable   | 95,082                            | -              | 6,615,000     | 44,494,000    | -                            | 51,204,082              | -                            |
| Accrued landfill post-closure costs   | -                                 | -              | -             | -             | 67,330                       | 67,330                  | -                            |
| Lease liabilities   | 856,353                           | -              | -             | -             | 17,090                       | 873,443                 | -                            |
| Bonds payable, net  | 89,774,089                        | 4,029,891      | 1,458,498     | 389,006       | 924,133                      | 96,575,617              | -                            |
| Total non-current liabilities   | 101,930,258                       | 5,136,697      | 8,417,351     | 45,260,119    | 3,021,102                    | 163,765,527             | 513,299                      |
| Total liabilities   | 130,905,600                       | 12,890,162     | 11,977,815    | 49,039,506    | 5,638,334                    | 210,451,417             | 3,089,537                    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  |                                   |                |               |               |                              |                         |                              |
| Deferred charge on refunding  | -                                 | -              | -             | -             | 14,604                       | 14,604                  | -                            |
| Deferred inflows related to leases  | 2,011,755                         | -              | -             | 572,232       | 39,866                       | 2,623,853               | -                            |
| Deferred inflows related to OPEB  | 498,517                           | 76,030         | 19,965        | 23,699        | 60,353                       | 678,564                 | 19,110                       |
| Deferred inflows related to pensions  | 45,877,528                        | 2,795,377      | 629,395       | 902,014       | 5,017,295                    | 55,221,609              | 713,373                      |
|   | 48,387,800                        | 2,871,407      | 649,360       | 1,497,945     | 5,132,118                    | 58,538,630              | 732,483                      |
| <b>NET POSITION</b>   |                                   |                |               |               |                              |                         |                              |
| Net investment in capital assets  | 97,992,846                        | 94,499,343     | 43,088,565    | 57,203,483    | 54,645,403                   | 347,429,640             | 10,051,436                   |
| Restricted for debt service   | 9,606,743                         | 1,030,546      | 45,095        | 310,712       | -                            | 10,993,096              | -                            |
| Unrestricted  | 346,427,006                       | 53,953,836     | 7,733,936     | 17,847,381    | 26,328,643                   | 452,290,802             | 24,448,184                   |
| Total net position  | \$ 454,026,595                    | \$ 149,483,725 | \$ 50,867,596 | \$ 75,361,576 | \$ 80,974,046                | 810,713,538             | \$ 34,499,620                |
| 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 |                                   |                |               |               |                              | 12,532,985              |                              |
| Net position of business-type activities  |                                   |                |               |               |                              | \$ 823,246,523          |                              |

The notes to the 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, 2022**

|  | Business-Type Activities          |                |               |               |                              |                | Governmental Activities      |
|--|-----------------------------------|----------------|---------------|---------------|------------------------------|----------------|------------------------------|
|  | Mary Greeley<br>Medical<br>Center | Electric       | Sewer         | Water         | Other<br>Enterprise<br>Funds | Totals         | Internal<br>Service<br>Funds |
| Operating revenues:  |                                   |                |               |               |                              |                |                              |
| Charges for services   | \$ 221,854,322                    | \$ 67,655,268  | \$ 9,027,049  | \$ 11,959,469 | \$ 15,327,030                | \$ 325,823,138 | \$ 22,009,157                |
| Operating expenses:  |                                   |                |               |               |                              |                |                              |
| Cost of goods and services   | 159,550,649                       | 54,479,661     | 4,639,878     | 5,827,876     | 14,982,035                   | 239,480,099    | 19,073,688                   |
| Administration   | 38,521,475                        | 2,591,023      | 386,636       | 443,321       | 2,586,686                    | 44,529,141     | -                            |
| Depreciation   | 16,810,356                        | 5,519,438      | 1,676,790     | 2,554,205     | 4,131,723                    | 30,692,512     | 1,557,959                    |
| Total operating expenses   | 214,882,480                       | 62,590,122     | 6,703,304     | 8,825,402     | 21,700,444                   | 314,701,752    | 20,631,647                   |
| Operating income (loss)  | 6,971,842                         | 5,065,146      | 2,323,745     | 3,134,067     | (6,373,414)                  | 11,121,386     | 1,377,510                    |
| Non-operating revenues (expenses):   |                                   |                |               |               |                              |                |                              |
| Intergovernmental  | 2,081,593                         | 47,323         | 1,334,367     | -             | 11,675,365                   | 15,138,648     | -                            |
| Reimbursements   | -                                 | 31,347         | -             | 2,093         | 33,676                       | 67,116         | -                            |
| Investment (expense)   | (38,744,177)                      | (1,267,022)    | (222,829)     | (202,726)     | (359,508)                    | (40,796,262)   | (440,553)                    |
| Interest expense   | (4,083,880)                       | (103,335)      | (148,067)     | (977,544)     | (26,237)                     | (5,339,063)    | -                            |
| Gain (loss) on disposal of capital assets  | (1,805,625)                       | (3,316)        | -             | -             | -                            | (1,808,941)    | 16,239                       |
| Miscellaneous  | -                                 | 108,697        | 153,245       | 587,282       | 2,890,807                    | 3,740,031      | -                            |
| Total non-operating revenues (expenses)  | (42,552,089)                      | (1,186,306)    | 1,116,716     | (590,895)     | 14,214,103                   | (28,998,471)   | (424,314)                    |
| Income (loss) before capital contributions and transfers   | (35,580,247)                      | 3,878,840      | 3,440,461     | 2,543,172     | 7,840,689                    | (17,877,085)   | 953,196                      |
| Capital contributions  | 1,424,473                         | -              | 704,031       | 1,152,005     | 5,086,284                    | 8,366,793      | -                            |
| Transfers in   | -                                 | -              | -             | -             | 3,311,527                    | 3,311,527      | 95,000                       |
| Transfers out  | -                                 | (2,295,682)    | (25,000)      | (25,000)      | -                            | (2,345,682)    | -                            |
| Change in net position   | (34,155,774)                      | 1,583,158      | 4,119,492     | 3,670,177     | 16,238,500                   | (8,544,447)    | 1,048,196                    |
| Net position, beginning, as restated   | 488,182,369                       | 147,900,567    | 46,748,104    | 71,691,399    | 64,735,546                   |                | 33,451,424                   |
| Net position, ending   | \$ 454,026,595                    | \$ 149,483,725 | \$ 50,867,596 | \$ 75,361,576 | \$ 80,974,046                |                | \$ 34,499,620                |
| Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds |                                   |                |               |               |                              | 544,643        |                              |
| Change in net position of business-type activities   |                                   |                |               |               |                              | \$ (7,999,804) |                              |

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



**City of Ames**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2022**

|  | Business-Type Activities          |               |              |               |                              |                | Governmental Activities      |
|--|-----------------------------------|---------------|--------------|---------------|------------------------------|----------------|------------------------------|
|  | Mary Greeley<br>Medical<br>Center | Electric      | Sewer        | Water         | Other<br>Enterprise<br>Funds | Totals         | Internal<br>Service<br>Funds |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                      |                                   |               |              |               |                              |                |                              |
| Receipts from customers  | \$ 218,950,575                    | \$ 66,223,360 | \$ 8,272,663 | \$ 11,084,422 | \$ 13,640,903                | \$ 318,171,923 | \$ 22,135,203                |
| Other receipts   | 1,082,138                         | -             | -            | -             | -                            | 1,082,138      | -                            |
| Payments to suppliers  | (97,824,666)                      | (46,282,644)  | (650,614)    | (2,496,204)   | (5,090,082)                  | (152,344,210)  | (15,671,617)                 |
| Payments to employees  | (113,013,165)                     | (10,861,331)  | (2,164,737)  | (2,747,775)   | (11,315,937)                 | (140,102,945)  | (2,283,177)                  |
| Payments to other funds for services provided                    | -                                 | (2,847,173)   | (2,837,641)  | (1,418,619)   | (1,851,754)                  | (8,955,187)    | (803,604)                    |
| Net cash provided by (used for) operating activities             | 9,194,882                         | 6,232,212     | 2,619,671    | 4,421,824     | (4,616,870)                  | 17,851,719     | 3,376,805                    |
| <b>CASH FLOW FROM NON-CAPITAL FINANCING ACTIVITIES</b>           |                                   |               |              |               |                              |                |                              |
| Operating grants   | 2,081,593                         | 47,323        | -            | -             | 11,675,365                   | 13,804,281     | -                            |
| Reimbursements   | -                                 | 31,347        | -            | 2,093         | 33,676                       | 67,116         | -                            |
| Miscellaneous  | -                                 | 99,276        | 153,245      | 587,282       | 2,890,807                    | 3,730,610      | -                            |
| Proceeds from sale of non-capital assets                         | -                                 | -             | -            | -             | -                            | -              | -                            |
| Interest revenue   | -                                 | -             | -            | 26,317        | 1,857                        | 28,174         | -                            |
| Transfers in   | -                                 | -             | -            | -             | 3,311,527                    | 3,311,527      | 95,000                       |
| Transfers out  | -                                 | (2,295,682)   | (25,000)     | (25,000)      | -                            | (2,345,682)    | -                            |
| Net cash provided by (used for) non-capital financing activities | 2,081,593                         | (2,117,736)   | 128,245      | 590,692       | 17,913,232                   | 18,596,026     | 95,000                       |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>  |                                   |               |              |               |                              |                |                              |
| Acquisition and construction of capital assets                   | (15,221,152)                      | (3,515,734)   | (6,125,594)  | (2,877,532)   | (9,109,740)                  | (36,849,752)   | (787,297)                    |
| Capital grants   | -                                 | -             | 1,334,367    | -             | -                            | 1,334,367      | -                            |
| Proceeds from the sale of capital assets                         | -                                 | -             | -            | -             | -                            | -              | 167,083                      |
| Proceeds from the issuance of bonds                              | -                                 | -             | -            | -             | 474,467                      | 474,467        | -                            |
| Principal paid on capital debt                                   | (6,406,467)                       | (807,400)     | (309,026)    | (102,730)     | (659,228)                    | (8,284,851)    | -                            |
| Interest paid on capital debt                                    | (3,408,048)                       | (176,297)     | (82,898)     | (27,632)      | (48,443)                     | (3,743,318)    | -                            |
| Principal paid on loans  | -                                 | -             | (434,000)    | (2,736,000)   | -                            | (3,170,000)    | -                            |
| Interest paid on loans   | -                                 | -             | (106,493)    | (1,000,260)   | -                            | (1,106,753)    | -                            |
| Interest paid on leases  | -                                 | -             | -            | -             | (335)                        | (335)          | -                            |
| Capital contributions  | 1,424,473                         | -             | 205,653      | 228,407       | 3,714,231                    | 5,572,764      | -                            |
| Net cash used for capital and related financing activities       | (23,611,194)                      | (4,499,431)   | (5,517,991)  | (6,515,747)   | (5,629,048)                  | (45,773,411)   | (620,214)                    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                      |                                   |               |              |               |                              |                |                              |
| Purchase of investments  | (130,150,618)                     | (33,987,493)  | (197,539)    | (3,768,953)   | (13,641,561)                 | (181,746,164)  | (9,781,693)                  |
| Proceeds from sale of investments                                | 116,416,783                       | 30,285,786    | 60,783       | 1,159,707     | 4,197,510                    | 152,120,569    | 3,009,826                    |
| Other assets   | 1,515,109                         | -             | -            | -             | -                            | 1,515,109      | -                            |
| Interest on investments  | 15,415,203                        | (145,119)     | (186,670)    | (148,955)     | (312,314)                    | 14,622,145     | (372,983)                    |
| Net cash provided by (used for) investing activities             | 3,196,477                         | (3,846,826)   | (323,426)    | (2,758,201)   | (9,756,365)                  | (13,488,341)   | (7,144,850)                  |
| Net increase (decrease) in cash and cash equivalents             | (9,138,242)                       | (4,231,781)   | (3,093,501)  | (4,261,432)   | (2,089,051)                  | (22,814,007)   | (4,293,259)                  |
| Cash and cash equivalents, beginning                             | 27,927,260                        | 4,231,801     | 5,010,117    | 7,720,256     | 8,173,397                    | 53,062,831     | 10,225,814                   |
| Cash and cash equivalents, ending                                | 18,789,018                        | 20            | 1,916,616    | 3,458,824     | 6,084,346                    | 30,248,824     | 5,932,555                    |
| Plus: beginning amount reported in restricted assets             | -                                 | 1,030,526     | 45,041       | 311,355       | -                            | 1,386,922      | -                            |
| Less: ending amount reported in restricted assets                | -                                 | 1,030,546     | 45,095       | 310,712       | -                            | 1,386,353      | -                            |
| Cash and cash equivalents, ending - statement of net position    | \$ 18,789,018                     | \$ -          | \$ 1,916,562 | \$ 3,459,467  | \$ 6,084,346                 | \$ 30,249,393  | \$ 5,932,555                 |

The notes to the 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, 2022**

|   | Business-Type Activities          |              |              |              |                              |               | Governmental Activities      |
|---|-----------------------------------|--------------|--------------|--------------|------------------------------|---------------|------------------------------|
|   | Mary Greeley<br>Medical<br>Center | Electric     | Sewer        | Water        | Other<br>Enterprise<br>Funds | Totals        | Internal<br>Service<br>Funds |
| <b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b> |                                   |              |              |              |                              |               |                              |
| Operating income (loss)   | \$ 6,971,842                      | \$ 5,065,146 | \$ 2,323,745 | \$ 3,134,067 | \$ (6,373,414)               | \$ 11,121,386 | \$ 1,377,510                 |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities:            |                                   |              |              |              |                              |               |                              |
| Depreciation expense  | 16,810,356                        | 5,519,438    | 1,676,790    | 2,554,205    | 4,131,723                    | 30,692,512    | 1,557,959                    |
| Interest expense  | -                                 | -            | -            | -            | -                            | -             | -                            |
| (Increase) decrease in accounts receivable  | (1,907,624)                       | (795,095)    | (119,693)    | (22,721)     | (533)                        | (2,845,666)   | 283,155                      |
| (Increase) decrease in lease receivable   | 777,323                           | -            | -            | (591,189)    | (37,455)                     | 148,679       | -                            |
| (Increase) decrease in due from other funds   | -                                 | (4,953)      | 600,837      | 283,709      | 1,195,849                    | 2,075,442     | (189,426)                    |
| (Increase) decrease in intergovernmental receivable   | -                                 | (674,893)    | (1,294,532)  | (572,063)    | (2,843,837)                  | (5,385,325)   | 32,317                       |
| (Increase) decrease in inventories  | (30,853)                          | (342,977)    | -            | (68,785)     | 3,851                        | (438,764)     | 20,119                       |
| (Increase) decrease in prepaid items  | (1,180,834)                       | 48,732       | 5,297        | 10,373       | 10,307                       | (1,106,125)   | 613,598                      |
| (Increase) decrease in deferred outflows of resources   | 4,472,044                         | 290,879      | 31,477       | 131,618      | 535,586                      | 5,461,604     | 68,214                       |
| Increase (decrease) in accounts payable   | (466,251)                         | (1,687,452)  | 125,312      | (522,574)    | 280,087                      | (2,270,878)   | (66,253)                     |
| Increase (decrease) in accrued payroll  | 439,343                           | 37,483       | 244          | 7,414        | 16,603                       | 501,087       | (665)                        |
| Increase (decrease) in accrued compensated absences   | -                                 | (58,332)     | (3,806)      | 15,638       | 37,276                       | (9,224)       | 52                           |
| Increase (decrease) in due to other funds   | -                                 | (185,065)    | (742,506)    | (241,679)    | (27,166)                     | (1,196,416)   | 492                          |
| Increase (decrease) in other long term liabilities  | 38,768                            | -            | -            | -            | -                            | 38,768        | (81,141)                     |
| Increase (decrease) in retainage payable  | -                                 | (94,677)     | 127,381      | 33,838       | 184,893                      | 251,435       | -                            |
| Increase in customer deposits   | -                                 | 43,033       | -            | -            | -                            | 43,033        | -                            |
| Increase in estimated net settlements due to third-party payors   | 191,643                           | -            | -            | -            | -                            | 191,643       | -                            |
| Increase (decrease) in intergovernmental payable  | -                                 | 15,937       | 478          | 21,174       | (60,623)                     | (23,034)      | (6,436)                      |
| Decrease in accrued landfill post-closure costs   | -                                 | -            | -            | -            | (4,898)                      | (4,898)       | -                            |
| Increase (decrease) in unearned revenue   | -                                 | -            | 59,002       | 27,217       | (150)                        | 86,069        | -                            |
| Increase (decrease) in post-employment benefits   | 106,607                           | 63,041       | 12,406       | 19,249       | 68,420                       | 269,723       | 13,530                       |
| Increase (decrease) in pension liability  | (60,314,037)                      | (3,736,829)  | (791,831)    | (1,248,329)  | (6,612,167)                  | (72,703,193)  | (935,896)                    |
| Increase in deferred inflows of resources   | 43,286,555                        | 2,728,796    | 609,070      | 1,450,662    | 4,878,778                    | 52,953,861    | 689,676                      |
| Total adjustments   | 2,223,040                         | 1,167,066    | 295,926      | 1,287,757    | 1,756,544                    | 6,730,333     | 1,999,295                    |
| Net cash provided by (used for) operating activities  | \$ 9,194,882                      | \$ 6,232,212 | \$ 2,619,671 | \$ 4,421,824 | \$ (4,616,870)               | \$ 17,851,719 | \$ 3,376,805                 |
| <b>Schedule of non-cash capital and related financing activities:</b>                                     |                                   |              |              |              |                              |               |                              |
| Capital asset contributions   | \$ -                              | \$ -         | \$ 498,378   | \$ 923,598   | \$ 1,372,053                 | \$ 2,794,029  | \$ -                         |

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

**City of Ames**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2022**

|                              | <u>Custodial Funds</u> |
|------------------------------|------------------------|
|                              | <u>City</u>            |
|                              | <u>Assessor</u>        |
| <b>ASSETS</b>                |                        |
| Current assets:              |                        |
| Accounts receivable, net     | \$ 433                 |
| Intergovernmental receivable | 93,997                 |
| Total current assets         | <u>94,430</u>          |
| <b>LIABILITIES</b>           |                        |
| Current liabilities:         |                        |
| Accounts payable             | 93,997                 |
| Accrued payroll              | 433                    |
| Total current liabilities    | <u>94,430</u>          |
| <b>NET POSITION</b>          |                        |
| Restricted for:              |                        |
| Pensions                     | -                      |
| Restricted for debt service  | -                      |
| Total net position           | <u>\$ -</u>            |
|                              | <u>-</u>               |

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

**City of Ames**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2022**

|   | <u><b>Custodial Funds</b></u> |
|---|-------------------------------|
|   | <u><b>City</b></u>            |
|   | <u><b>Assessor</b></u>        |
| <b>Additions</b>                                      |                               |
| Contributions:  |                               |
| Private contributions                                 | \$ 294,689                    |
| Total additions                                       | <u>294,689</u>                |
| <br><b>Deductions</b>                                 |                               |
| Benefits  | 59,859                        |
| Payroll   | 233,591                       |
| Recruitment   | 1,203                         |
| Supplies  | <u>36</u>                     |
| Total deductions                                      | <u>294,689</u>                |
| <br>Net increase (decrease) in fiduciary net position | -                             |
| <br>Net position - beginning                          | <u>-</u>                      |
| Net position - ending                                 | <u><u>-</u></u>               |

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

**City of Ames**  
**Notes to the Financial Statement**  
**June 30, 2022**

**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, 2022**

**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, 2022**

**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, printing services, messenger services, 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, 2022**

**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, 2022**

**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.

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).

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2022**

**I. Summary of significant accounting policies (continued)**

**F. Budgetary information (continued)**

**1. *Budgetary basis of accounting (continued)***

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, 2022, debt service expenditures exceeded appropriations by \$363,029 due to a large bond refunding, saving the City approximately \$1,000,000 in interest over the life, but increasing related issuance fees by approximately \$113,000 in the short term and GO bond costs by \$250,000.

**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, 2022**

**I. Summary of significant accounting policies (continued)**

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

**4. Capital assets**

Capital assets, which include property, plant, equipment, right to use leased assets, 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. Right to use leased assets are recognized at the lease commencement date and represent the City's right to use an underlying asset for the lease term. Right to use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right to use leased assets are amortized over the shorter of the lease term or useful life of the underlying asset using the same method amortizing the debt. The amortization period varies from 3 to 5 years.

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         |

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2022**

**I. Summary of significant accounting policies (continued)**

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

**5. Lease receivables**

Lease receivables are recorded by the City of Ames as the present value of future lease payments expected to be received from the lessee during the lease term, reduced by any provision for estimated uncollectible amounts. Lease receivables are subsequently reduced over the life of the lease as cash is received in the applicable reporting period. The present value of future lease payments to be received are discounted based on the interest rate the City charges the lessee.

**6. 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 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 property taxes, special assessments, charges for services, grants, licenses and permits, and lease payments. 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. The City's government-wide statements and proprietary funds financial statements also include a deferred amount on refunding which results from the difference in the carrying value of refunded debt and its reacquisition price. In addition, deferred inflows related to leases where the City is the lessor is reported. The deferred inflows of resources related to leases are recognized as an inflow of resources (revenue) over the term of the lease.

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2022**

**I. Summary of significant accounting policies (continued)**

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

**7. *Pensions***

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense (income), 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 (asset) attributable to the governmental activities will be paid primarily by the General Fund.

**8. *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.

**9. *Long-term obligations***

In the government wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**10. *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

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2022**

**I. Summary of significant accounting policies (continued)**

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

***10. Net position flow assumption (continued)***

which the resources are applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position.

***11. 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.

***12. 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 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.

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2022**

**I. Summary of significant accounting policies (continued)**

**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 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



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

**I. Summary of significant accounting policies (continued)**

**H. Revenues and expenditures/expenses (continued)**

***5. Proprietary funds operating and non-operating revenues and expenses (continued)***

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 \$192,660,902 are as follows:

|  |                       |
|--|-----------------------|
| Land   | \$ 13,237,769         |
| Land improvements  | -                     |
| Public art collection  | 622,326               |
| Construction in progress   | 24,845,761            |
| Buildings  | 34,400,328            |
| Less: accumulated depreciation   | (11,805,206)          |
| Leased Equipment   | 112,653               |
| Less: amorization  | (47,678)              |
| Equipment  | 13,612,806            |
| Less: accumulated depreciation   | (7,581,388)           |
| Infrastructure   | 280,997,464           |
| Less: accumulated depreciation   | (155,733,933)         |
| Net adjustment to increase <i>fund balance - total governmental funds</i><br>to arrive at <i>net position in governmental activities</i> | <u>\$ 192,660,902</u> |

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 \$21,966,635 are as follows:

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2022**

**II. Reconciliation of government-wide and fund financial statements (continued)**

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

|  |                     |
|--|---------------------|
| Net position of the internal service funds   | \$34,499,620        |
| Less: Internal payable representing charges in excess of cost to business-type activities - prior years  | (12,014,480)        |
| Less: Internal payable representing charges in excess of cost to business-type activities - current year | (518,505)           |
|  | <u>\$21,966,635</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 \$529,691 are as follows:

|  |                   |
|--|-------------------|
| Change in net position of the internal service funds   | \$ 1,048,196      |
| Less: gain from charges to business-type activities  | <u>(518,505)</u>  |
| 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>\$ 529,691</u> |

At June 30, 2022, debt service expenditures exceeded appropriations by \$363,029 due to a large bond refunding, saving the City approximately \$1,000,000 in interest over the life, but increasing related issuance fees by approximately \$113,000 in the short term and GO bond costs by \$250,000.

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2022**

**III. Stewardship, compliance, and accountability**

**A. Violations of legal or contractual provisions**

At June 30, 2022 debt service expenditures exceeded appropriations by \$363,029 due to a large bond refunding, saving the City approximately \$1,000,000 in interest over the life, but increasing related issuance fees by approximately \$113,000 in the short term and GO bond costs by \$250,000.

**B. Deficit fund equity**

At June 30, 2022 the Printing Services fund, a non-major internal service fund, had a deficit fund balance of \$6,549.

**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, 2022, 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, 2022**

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

**B. Investments (continued)**

| Authorized Investment Type   | Maximum<br>Maturity for<br>Operating<br>Funds<br>(Days) | Maximum<br>Maturity for<br>Non-Operating<br>Funds<br>(Years) | Maximum<br>Percentage<br>of Portfolio | Maximum<br>Investment<br>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<br>certificates of a levee or<br>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 | \$ 64,138,616         | 08/17/21-06/12/26 |
| U.S. Treasury obligations     | 102,317,158           | 07/15/21-09/30/24 |
| Commercial paper              | 8,896,495             | 07/01/21-12/15/21 |
| Municipal bonds               | 59,016                | 01/01/24-02/15/24 |
| Mutual funds                  | 360,139,935           | n/a               |
| Corporate debt                | 681,528               | 12/01/21-10/15/30 |
|                               | <u>\$ 536,232,748</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.

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2022**

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

**B. Investments (continued)**

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 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, 2022 compared to June 30, 2021.

*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<br>or Less | 13 - 24<br>Months    | 25-60<br>Months      | More Than<br>60 Months |
| U.S. Agency coupon securities | \$ 64,138,616        | \$ 16,830,439        | \$ 26,644,221        | \$ 20,572,725        | \$ 91,231              |
| U.S. Treasury obligations     | 102,317,158          | 41,671,908           | 27,435,090           | 33,210,160           | -                      |
| Commercial paper              | 8,896,495            | 8,896,495            | -                    | -                    | -                      |
| Municipal bonds               | 59,016               | -                    | 59,016               | -                    | -                      |
| Mutual funds                  | 360,139,935          | 360,139,935          | -                    | -                    | -                      |
| Corporate debt                | 681,528              | 143,029              | 39,601               | 159,476              | 339,422                |
|                               | <u>\$536,232,748</u> | <u>\$427,681,806</u> | <u>\$ 54,177,928</u> | <u>\$ 53,942,361</u> | <u>\$ 430,653</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.

The following shows the actual ratings as of June 30, 2022, for each investment type:

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2022**

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

**B. Investments (continued)**

| Investment Type               | Fair Value           | Rating    |
|-------------------------------|----------------------|-----------|
| U.S. Agency coupon securities | \$ 64,138,616        | AAA       |
| U.S. Treasury obligations     | 102,317,158          | not rated |
| Commercial paper              | 8,896,495            | A1/P1     |
| Municipal bonds               | 59,016               | AAA-AA1   |
| Mutual funds                  | 360,139,935          | not rated |
| Corporate debt                | 681,528              | AA1-BAA   |
|                               | <u>\$536,232,748</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 | 28,971,294  | 5.40%                |
| United States Treasury | U.S. treasuries        | 102,317,158 | 19.08%               |

*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:
  - a. Control of collusion,
  - b. Separation of transaction authority from accounting and record keeping,
  - c. Custodial safekeeping,



**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2022**

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

**B. Investments (continued)**

- d. Delivery versus payment,
- e. Clear delegation of authority, and
- f. Confirmation of transactions for investments and wire transfers.

As of June 30, 2022, 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 | \$ 5,435,784 |
| Federal Home Loan Mortgage Co.        | U.S. agency securities | 10,721,180   |
| Federal Home Loan Bank                | U.S. agency securities | 28,971,294   |
| Federal Farm Credit                   | U.S. agency securities | 19,010,358   |
| United States Treasury                | U.S. agency securities | 102,317,158  |

*Foreign currency risk.* As of June 30, 2022, 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. The following is a detail of the foundation's investments at June 30, 2022:

| Investment Type     | Fair Value           |
|---------------------|----------------------|
| Equity mutual funds | \$ 11,459,196        |
| Bond mutual funds   | 3,014,881            |
| Hedge funds         | -                    |
|                     | <u>\$ 14,474,077</u> |

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2022**

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

**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, 2022, is as follows:

|  | Balance<br>June 30, 2021,<br>as restated | Increases     | Decreases       | Balance<br>June 30, 2022 |
|--|--|---------------|-----------------|--------------------------|
| <b><i>Governmental activities:</i></b>       |  |               |                 |                          |
| Non-depreciable capital assets:              |  |               |                 |                          |
| Land   | \$ 13,237,769                            | \$ -          | \$ -            | \$ 13,237,769            |
| Public art collection                        | 611,826                                  | 10,500        | -               | 622,326                  |
| Construction in progress                     | 29,143,945                               | 6,196,441     | (10,494,625)    | 24,845,761               |
| Total non-depreciable capital assets         | 42,993,540                               | 6,206,941     | (10,494,625)    | 38,705,856               |
| Depreciable/amortizable capital assets:      |  |               |                 |                          |
| Buildings                                    | 33,788,965                               | 1,778,036     | (35,033)        | 35,531,968               |
| Leased equipment                             | -  | 112,653       | -               | 112,653                  |
| Equipment                                    | 31,919,536                               | 4,370,669     | (1,234,827)     | 35,055,378               |
| Infrastructure                               | 267,068,429                              | 15,231,459    | (1,109,991)     | 281,189,897              |
|  | 332,776,930                              | 21,492,817    | (2,379,851)     | 351,889,896              |
| Less accumulated depreciation/ amortization: |  |               |                 |                          |
| Buildings                                    | 11,695,236                               | 903,435       | (35,033)        | 12,563,638               |
| Leased equipment                             | -  | 47,678        | -               | 47,678                   |
| Equipment                                    | 17,982,792                               | 2,446,924     | (1,083,983)     | 19,345,733               |
| Infrastructure                               | 147,928,249                              | 9,105,350     | (1,107,233)     | 155,926,366              |
|  | 177,606,277                              | 12,503,387    | (2,226,249)     | 187,883,415              |
| Total depreciable/amortizable capital assets | 155,170,653                              | 8,989,430     | (153,602)       | 164,006,481              |
| Total capital assets                         | \$ 198,164,193                           | \$ 15,196,371 | \$ (10,648,227) | \$ 202,712,337           |

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

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2022**

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

**E. Capital assets (continued)**

|  |                      |
|--|----------------------|
| General government                                   | \$ 488,520           |
| Public safety  | 533,876              |
| Public works   | 8,811,566            |
| Culture and recreation                               | 2,664,540            |
| Community and economic development                   | 4,885                |
| Total depreciation expense - governmental activities | <u>\$ 12,503,387</u> |

|  | Balance<br>June 30, 2021,<br>as restated | Increases            | Decreases              | Balance<br>June 30, 2022 |
|--|--|----------------------|------------------------|--------------------------|
| <b><i>Business-type activities:</i></b>      |  |                      |                        |                          |
| Non-depreciable capital assets:              |  |                      |                        |                          |
| Land   | \$ 15,977,402                            | \$ 1,050,917         | \$ -                   | \$ 17,028,319            |
| Construction in progress                     | 29,405,204                               | 28,377,680           | (21,818,705)           | 35,964,179               |
| Total non-depreciable capital assets         | <u>45,382,606</u>                        | <u>29,428,597</u>    | <u>(21,818,705)</u>    | <u>52,992,498</u>        |
| Depreciable/amortizable capital assets:      |  |                      |                        |                          |
| Plant and distribution systems               | 448,696,095                              | 8,003,700            | (5,835,056)            | 450,864,739              |
| Buildings                                    | 294,381,711                              | 11,925,555           | (5,153,994)            | 301,153,272              |
| Leased equipment                             | -  | 32,932               | -                      | 32,932                   |
| Equipment                                    | 173,111,954                              | 12,077,301           | (18,961,055)           | 166,228,200              |
| Improvements                                 | 19,667,142                               | 1,317,995            | -                      | 20,985,137               |
|  | <u>935,856,902</u>                       | <u>33,357,483</u>    | <u>(29,950,105)</u>    | <u>939,264,280</u>       |
| Less accumulated depreciation/ amortization: |  |                      |                        |                          |
| Plant and distribution systems               | 219,018,546                              | 9,745,045            | (5,835,056)            | 222,928,535              |
| Buildings                                    | 128,535,562                              | 11,237,817           | (3,806,874)            | 135,966,505              |
| Leased equipment                             | -  | 5,101                | -                      | 5,101                    |
| Equipment                                    | 136,346,412                              | 9,435,952            | (18,396,415)           | 127,385,949              |
| Improvements                                 | 10,335,534                               | 763,195              | -                      | 11,098,729               |
|  | <u>494,236,054</u>                       | <u>31,187,110</u>    | <u>(28,038,345)</u>    | <u>497,384,819</u>       |
| Total depreciable/amortizable capital assets | <u>441,620,848</u>                       | <u>2,170,373</u>     | <u>(1,911,760)</u>     | <u>441,879,461</u>       |
| Total capital assets                         | <u>\$ 487,003,454</u>                    | <u>\$ 31,598,970</u> | <u>\$ (23,730,465)</u> | <u>\$ 494,871,959</u>    |

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2022**

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

**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 (revenue) for the period associated with the net pension liability (asset) for both plans is \$(5,550,576). Other aggregate amounts related to pension are separately displayed in the financial statements.

The City's total pension liability is a liability as of June 30, 2022. However, when allocated to individual funds, the city has reported both net pension liabilities and net pension assets.

***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](http://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, 2022, regular members contributed 6.29% and the City contributed 9.44% of covered wages. Rates for the fiscal year beginning July 1, 2022, are the same. Emergency responder members contributed 6.21%, and the hospital contributed 9.31% of covered wages for the fiscal year ended June 30, 2022. As of July 1, 2022, 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, 2022, 2021, and 2020 were \$10,223,542, \$9,131,127, and \$9,139,672, respectively, and were equal to 100% of the required contributions for each year.

*Pension liabilities, pension expense (income), and deferred outflows of resources and deferred inflows of resources related to pensions.* At June 30, 2022, the City reported a liability of

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2022**

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

**F. Pension obligations (continued)**

\$131,427 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2021, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date.

The City's proportion of the net pension liability (asset) 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, 2021, the City's proportion was (0.0381)%, which is a decrease of 1.2368% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the City recognized pension revenue of \$5,653,552. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | Deferred<br>Outflows<br>of Resources | Deferred<br>Inflows<br>of Resources |
|---|--------------------------------------|-------------------------------------|
| Difference between expected and actual experience   | \$ 1,364,293                         | \$ 1,254,247                        |
| Changes in assumptions  | 1,087,074                            | 1,683                               |
| Net difference between projected and actual earnings on pension plan investments                          | -                                    | 60,710,772                          |
| Changes in proportion and differences between City contributions and proportionate share of contributions | 2,085,837                            | 1,917,507                           |
| City contributions subsequent to the measurement date   | 10,223,542                           | -                                   |
|   | <u>\$14,760,746</u>                  | <u>\$63,884,209</u>                 |

\$10,223,542 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 (asset) in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (income) as follows:

| Year Ending<br>June 30, |                       |
|-------------------------|-----------------------|
| 2023                    | \$(14,490,300)        |
| 2024                    | (14,594,735)          |
| 2025                    | (13,603,064)          |
| 2026                    | (16,614,964)          |
| 2027                    | (43,942)              |
|                         | <u>\$(59,347,005)</u> |

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2022**

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

**F. Pension obligations (continued)**

There were no non-employer contributing entities at IPERS.

*Actuarial assumptions.* The total pension liability in the June 30, 2021 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, 2021 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2022 are summarized in the following table:



**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2022**

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

**F. Pension obligations (continued)**

| Asset Class              | Target<br>Allocation | Long-Term Expected<br>Real Rate of Return |
|--------------------------|----------------------|---|
| Core-plus fixed income   | 26.0%                | -0.29%                                    |
| Domestic equity          | 22.0%                | 4.43%                                     |
| International equity     | 17.5%                | 5.15%                                     |
| Global smart beta equity | 6.0%                 | 4.87%                                     |
| Private equity           | 13.0%                | 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 (asset) to changes in the discount rate.* The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00%, as well as what the City's proportionate share of the net pension liability (asset) 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<br>(6.0%) | Current<br>Discount<br>Rate<br>(7.0%) | 1% Increase<br>(8.0%) |
|--|-----------------------|---------------------------------------|-----------------------|
| City's proportionate share of<br>the net pension liability (asset) | \$ 57,631,861         | \$ 131,427                            | \$ (48,056,085)       |

*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](http://www.ipers.org).

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2022**

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

**F. Pension obligations (continued)**

*Payables to the pension plan.* At June 30, 2022, the City reported a payable to the defined benefit pension plan of \$1,678,781 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, 2022, was 26.18%. The City's total contributions to MFPRSI for the years ended June 30, 2022, 2021, and 2020 were \$2,268,424, \$2,200,185, and \$2,076,217, 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, 2022.

*Pension liabilities, pension expense (income), and deferred outflows of resources and deferred inflows of resources related to pensions.* At June 30, 2022, the City reported a liability of \$6,008,465 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2021, and the total pension liability (asset) 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 (asset) was based on the City's share of contributions to the pension plan relative to the contributions of all MFPRSI participating employers. At June 30, 2021, the City's proportion was 2.6755%, which is a decrease of 0.0021 from its proportion measured as of June 30, 2020.

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2022**

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

**F. Pension obligations (continued)**

For the year ended June 30, 2022, the City recognized pension expense (income) of \$162,976. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | Deferred<br>Outflows<br>of Resources | Deferred<br>Inflows<br>of Resources |
|---|--------------------------------------|-------------------------------------|
| Difference between expected and actual experience   | \$ 696,967                           | \$ 67,619                           |
| Changes in assumptions  | 226,293                              | 1                                   |
| Net difference between projected and actual earnings on pension plan investments                          | -                                    | 10,039,413                          |
| Changes in proportion and differences between City contributions and proportionate share of contributions | 138,910                              | 136,001                             |
| City contributions subsequent to the measurement date   | 2,268,424                            | -                                   |
|   | <u>\$ 3,330,594</u>                  | <u>\$ 10,243,034</u>                |

\$2,268,424 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 (asset) in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (income) as follows:

| Year Ending<br>June 30, |                      |
|-------------------------|----------------------|
| 2023                    | (\$1,816,843)        |
| 2024                    | (\$1,977,610)        |
| 2025                    | (\$2,322,429)        |
| 2026                    | (\$3,085,752)        |
| 2027                    | \$21,770             |
|                         | <u>(\$9,180,864)</u> |

*Actuarial assumptions.* The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2022**

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

**F. Pension obligations (continued)**

|  |  |
|--|--|
| 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<br>(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, 2021 valuation were based on the results of an actuarial experience study for the 10-year period ending June 30, 2020. 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:

| Asset Class                  | Long-Term Expected<br>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%                                     |

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2022**

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

**F. Pension obligations (continued)**

*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 (asset) to changes in the discount rate.* The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.50%, as well as what the City's proportionate share of the net pension liability (asset) 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<br>(6.5%) | Current<br>Discount<br>Rate<br>(7.5%) | 1% Increase<br>(8.5%) |
|--|-----------------------|---------------------------------------|-----------------------|
| City's proportionate share of<br>the net pension liability (asset) | \$ 17,780,308         | \$ 6,008,465                          | \$ (3,761,484)        |

*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](http://www.mfprsi.org).

*Payables to the pension plan.* At June 30, 2022, 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.

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2022**

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

**F. Pension obligations (continued)**

*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 \$324,825, and City contributions were \$477,012 for the fiscal year ended June 30, 2022.

**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 \$401,040. Other aggregate amounts related to OPEB are separately displayed in the financial statements.

**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.



**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2022**

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

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

**1. City's OPEB plan (continued)**

*Employees covered by benefit terms.* At June 30, 2022, the following employees were covered by the City's benefit terms:

|  |            |
|--|------------|
| Inactive employees or beneficiaries currently receiving benefit payments | 36         |
| Active employees   | 603        |
|  | <u>639</u> |

***Total OPEB Liability***

The City's total OPEB liability of \$2,891,232 was measured as of June 30, 2022 and was determined by an actuarial valuation as June 30, 2021.

*Actuarial assumptions and other inputs.* The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

|                                  |   |
|----------------------------------|---|
| Salary increases                 | 3.25% per annum                             |
| Discount rate                    | 3.54% per annum                             |
| Retiree share of benefit-related | 100% of projected health insurance premiums |

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 0.25% each year until reaching the ultimate trend rate.

| <b>Expense Type</b>                  | <b>Select</b> | <b>Ultimate</b> |
|--------------------------------------|---------------|-----------------|
| Pre-Medicare Medical and Rx benefits | 7.25%         | 4.0%            |
| Medicare Benefits                    | 6.25%         | 4.0%            |
| Stop loss fees                       | 7.25%         | 4.0%            |
| Administrative fees                  | 4.0%          | 4.0%            |

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

Mortality rates were based on the Pub-2010 mortality table with generational scale MP-2021.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2020 to June 30, 2021.

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2022**

**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>\$2,550,569</u>        |
| Changes for year year:                                |                           |
| Service cost  | 181,568                   |
| Interest  | 56,886                    |
| Changes of benefit terms                              | -                         |
| Differences between expected and<br>actual experience | 398,929                   |
| Changes in assumptions or other inputs                | (99,678)                  |
| Benefit payments                                      | <u>(197,042)</u>          |
| Net changes   | <u>340,663</u>            |
| Balance, end of year                                  | <u><u>\$2,891,232</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 (2.54 percent) or one percentage point higher (4.54 percent) than the current discount rate:

|                      | 1% Decrease<br>(2.54%) | Discount<br>Rate<br>(3.54%) | 1% Increase<br>(4.54%) |
|----------------------|------------------------|-----------------------------|------------------------|
| Total OPEB liability | \$3,163,000            | \$2,891,232                 | \$2,646,000            |

*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:

|                      | 1% Decrease<br>(6.25%<br>Decreasing<br>to 3.0%) | Healthcare<br>Cost Trend<br>Rates<br>Decreasing<br>to 4.0% | 1% Increase<br>(8.25%<br>Decreasing<br>to 5.0%) |
|----------------------|---|--|---|
| Total OPEB liability | \$2,543,000                                     | \$2,891,232  | \$3,311,000                                     |

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2022**

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

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

**1. City's OPEB plan (continued)**

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

For the fiscal year ended June 30, 2022, the City recognized OPEB expense of \$294,433. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|   | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|---|-----------------------------------|----------------------------------|
| Difference between actual and expected experience | \$ 367,808                        | \$ 283,407                       |
| Changes of assumptions or other inputs            | 622,851                           | 122,560                          |
|   | <u>\$ 990,659</u>                 | <u>\$ 405,967</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: |                   |
| 2023                | \$ 55,980         |
| 2024                | 55,980            |
| 2025                | 55,980            |
| 2026                | 55,980            |
| 2027                | 55,980            |
| Thereafter          | 304,792           |
|                     | <u>\$ 584,692</u> |

**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.

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2022**

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

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

**2. Hospital's OPEB plan (continued)**

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, 2022, the hospital contributed approximately \$520,000. Retirees receiving benefits contributed approximately \$385,000 through their required contributions. Inactive members receiving benefits contributed through their required monthly contributions of:

|                     |           |
|---------------------|-----------|
| Employee            | \$ 696.36 |
| Employee + Spouse   | 1,390.18  |
| Employee + Children | 1,276.89  |

*Employees covered by benefit terms.* At June 30, 2022, the following employees were covered by the benefit terms:

|   |                     |
|---|---------------------|
| Inactive employees currently receiving benefits | 435                 |
| Active employees eligible for benefits          | <u>1,250</u>        |
|   | <u><u>1,685</u></u> |

***Total OPEB Liability***

The hospital's total OPEB liability of \$4,385,841 was measured as of January 1, 2022 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:

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2022**

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

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

**2. Hospital's OPEB plan (continued)**

|                              |   |
|------------------------------|---|
| Inflation                    | 3.00% per annum (effective January 1, 2022)   |
| 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                | 2.25% (effective January 1, 2022)   |
| Health care cost trend rates | 7.50% for medical and prescription benefits for 2023, decreasing 0.50% per year to an ultimate rate of 4.5% for 2029 and later years (effective January 1, 2020)          |

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-2021 for general employees and Pub-2010 Headcount-weighted Contingent Survivor Mortality Table fully generational using Scale MO-2021 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.

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>\$4,472,772</u>        |
| Service cost                                       | 227,329                   |
| Interest   | 98,212                    |
| Differences between expected and actual experience | (339,352)                 |
| Changes in assumptions or other inputs             | 61,467                    |
| Benefit payments                                   | <u>(135,587)</u>          |
| Net changes  | <u>(87,931)</u>           |
| Balance, end of year                               | <u><u>\$4,384,841</u></u> |

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2022**

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

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

**2. Hospital's OPEB plan (continued)**

Effect of assumptions changes and inputs for the year ended June 30, 2022 reflect a change in the inflation rate from 2.00% to 3.00% and a change in the discount rate from 2.12% to 2.25%. Effect of assumption changes and inputs for the year ended June 30, 2021, reflect 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 (1.25 percent) or one percentage point higher (3.25 percent) than the current discount rate:

|                      | Discount    |             |             |
|----------------------|-------------|-------------|-------------|
|                      | 1% Decrease | Rate        | 1% Increase |
|                      | (1.25%)     | (2.25%)     | (3.25%)     |
| Total OPEB liability | \$4,744,117 | \$4,384,841 | \$4,067,789 |

*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 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:

|                      | Healthcare  |             |             |
|----------------------|-------------|-------------|-------------|
|                      | 1% Decrease | Rates       | 1% Increase |
|                      | (6.5%       | (7.5%       | (8.5%       |
|                      | Decreasing  | Decreasing  | Decreasing  |
|                      | to 3.5%)    | to 4.5%)    | to 5.5%)    |
| Total OPEB liability | \$4,038,424 | \$4,384,841 | \$4,779,855 |

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

For the fiscal year ended June 30, 2022, the hospital recognized OPEB income (expense) of \$(106,607). At June 30, 2022, the hospital reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2022**

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

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

**2. Hospital's OPEB plan (continued)**

|  | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|--|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ 259,249                        | \$ 370,278                       |
| Changes of assumptions or other inputs             | 157,351                           | 128,239                          |
| Contributions made subsequent to measurement date  | 65,656                            | -                                |
| Total  | <u>\$ 482,256</u>                 | <u>\$ 498,517</u>                |

\$65,656 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, 2023. Other 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: |                    |
| 2023                | \$ (54,793)        |
| 2024                | (27,124)           |
| 2025                | -                  |
|                     | <u>\$ (81,917)</u> |

**H. Construction and other significant commitments**

*Construction commitments.* As of June 30, 2022, the City's commitments with contractors were:

| Project                 | Spent<br>to Date     | Remaining<br>Commitment |
|-------------------------|----------------------|-------------------------|
| Streets & bridges       | \$ 4,706,445         | \$ 3,344,203            |
| Shared use paths        | 376,930              | 126,074                 |
| Fire                    | -                    | 1,950                   |
| Electric                | 602,168              | 1,168,879               |
| Water                   | 1,367,572            | 267,269                 |
| Water Pollution Control | 268,004              | 390,865                 |
| Sewer                   | 4,456,618            | 1,272,764               |
| Stormwater              | 3,554,308            | 281,868                 |
| Transit                 | -                    | 25,019                  |
| Traffic signal          | 406,774              | 557,495                 |
| Facilities              | 270,815              | 48,054                  |
|                         | <u>\$ 16,009,634</u> | <u>\$ 7,484,440</u>     |



**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2022**

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

**H. Construction and other significant commitments (continued)**

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.

*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                  | \$ 2,205,948        |
| Capital projects fund         | 15,050,027          |
| Non-major governmental funds  | 2,986,794           |
| Electric                      | 2,788,198           |
| Water                         | 1,414,061           |
| Sewer                         | 1,473,774           |
| Non-major business-type funds | 8,374,681           |
|                               | <u>\$34,293,483</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

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2022**

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

**I. Risk management (continued)**

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.

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, 2022, 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 balance of claims liabilities during the years ended June 30, 2022 and 2021 were:

|                                      | 2022                | 2021                |
|--------------------------------------|---------------------|---------------------|
| Liability, July 1                    | \$ 1,180,056        | \$ 1,221,951        |
| Claims incurred & claims adjustments | 987,824             | 428,086             |
| Claim payments                       | (719,485)           | (469,981)           |
| Liability, June 30                   | <u>\$ 1,448,395</u> | <u>\$ 1,180,056</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:

|                                      | 2022              | 2021              |
|--------------------------------------|-------------------|-------------------|
| Liability, July 1                    | \$ 918,335        | \$ 853,621        |
| Claims incurred & claims adjustments | 8,386,338         | 10,085,324        |
| Claim payments                       | (8,735,818)       | (10,020,610)      |
| Liability, June 30                   | <u>\$ 568,855</u> | <u>\$ 918,335</u> |

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2022**

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

**I. Risk management (continued)**

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 \$185,000 as an estimate for professional liability claims that were incurred but not reported as of June 30, 2022.

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 \$1,330,000 at June 30, 2022.

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 \$266,000 at June 30, 2022.

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, 2022 and 2021 were as follows:

|                                      | Professional Liability |                   | Health Insurance    |                     |
|--------------------------------------|------------------------|-------------------|---------------------|---------------------|
|                                      | 2022                   | 2021              | 2022                | 2021                |
| Liability, July 1                    | \$ 178,519             | \$ 173,672        | \$ 1,244,958        | \$ 1,294,269        |
| Claims incurred & claims adjustments | 12,643                 | 6,847             | 11,534,102          | 10,485,195          |
| Claim payments                       | (5,909)                | (2,000)           | (11,449,175)        | (10,534,506)        |
| Liability, June 30                   | <u>\$ 185,253</u>      | <u>\$ 178,519</u> | <u>\$ 1,329,885</u> | <u>\$ 1,244,958</u> |
|                                      | Workers' Compensation  |                   |                     |                     |
|                                      | 2022                   | 2021              |                     |                     |
| Liability, July 1                    | \$ 443,518             | \$ 245,314        |                     |                     |
| Claims incurred & claims adjustments | 205,181                | 666,628           |                     |                     |
| Claim payments                       | (382,407)              | (468,424)         |                     |                     |
| Liability, June 30                   | <u>\$ 266,292</u>      | <u>\$ 443,518</u> |                     |                     |

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2022**

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

**J. Leases**

**1. Lessee**

As of June 30, 2022, the City was a lessee for a couple equipment leases. The City recognizes lease liabilities and intangible right-to-use lease assets (lease asset) in the fund financials for proprietary funds and government-wide financial statements for governmental funds. At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term.

Thereafter, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Thereafter, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgements related to leases include how the City determines (a) the discount rate it uses to discount the expected lease payments to present value, (b) lease term, and (c) lease payments.

- a. If known, City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City uses its estimated incremental borrowing rate as the discount rate for the leases.
- b. The lease term includes the noncancelable period of the lease.
- c. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

**2. Lessor**

As of June 30, 2022, the City was a lessor for several leases. The present value of the leases are aggregated on a fund basis. All funds record lease receivable on the fund level Statement of Net Position, and are rolled into the government-wide Statement of Net Position.

At the beginning of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. After, the lease receivable

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2022**

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

**J. Leases (continued)**

**2. Lessor (continued)**

is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Thereafter, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgements include how the City determines (a) the discount rate it uses to discount the expected lease receipts to present value, (b) lease term, and (c) lease receipts.

- a. If specified, the City uses the interest rate identified in the contract as the discount rate. If no interest rate is specified, the City uses its estimated incremental borrowing rate as the discount rate for leases.
- b. The lease term includes the noncancellable period of the lease
- c. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a lease remeasurement and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

**3. Lease payable**

Beginning on March 21, 2022, the City entered into a five-year lease agreement for the right-to-use 14 golf carts and 1 hauler. The City is required to pay \$11,472 per year distributed between March through October. The lease has no stated interest rate so the City's incremental borrowing rate for 3 years of 3.22% was used. An initial lease liability was recorded in the amount of \$32,932 (\$5,101 current and \$27,831 long term). As of June 30, 2022, the value of the lease liability was \$16,739.

Beginning on March 10, 2021 the City entered into a 35 month lease for the right-to-use three 2021 Jacobsen HR-600 mowers. The City is required to pay \$43,870.53 annually on April, 20<sup>th</sup>. The lease has no stated interest rate so the City's incremental borrowing rate for one year of 2% was used. An initial lease liability of \$85,439 was set up (\$43,146 long term, \$42,293 current). As of June 30, 2022, the value of the lease liability was \$43,146.

Beginning April 16, 2021 the City entered into a 60 month lease for the right-to-use three Xerox VersLink C7025T, 1 Xerox PrimeLink C9065, 1 Xerox EX-I Print Server, 1 PaperCut MF, and 4 Badge Readers. The City is required to pay \$516 a month. The lease has no stated interest rate so the incremental borrowing rate for 4 years of 3.26% was used.

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2022**

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

**J. Leases (continued)**

**3. Lease payable (continued)**

An initial lease liability was recorded in the amount of \$27,214 (\$21,829 long-term and \$5,385 current). As of June 30, 2022, the value of the lease liability was \$21,829.

**4. Lease receivable**

General fund

The City has entered into a lease for placement of Antenna Facilities on the City's real property in December 2014 for five years. The renewal grants rights to the lessee for five additional five-year terms and it has been determined that renewal terms will continue to occur. The City recognized \$20,247 in lease revenue and \$23,510 in interest revenue during the current fiscal year for this one lease. As of June 30, 2022, the City's receivable for lease payments was \$469,391. In addition, the City has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2022, the balance of the deferred inflows of resources was \$450,492.

Airport fund

In 1993 a lease was entered into for an aircraft hangar, an amendment to this lease was finalized in 2019 for eight years rent schedule, with four additional five-year terms being likely to be executed in the future. With no rent schedule for the life of the lease, we estimated a 2.5% increase out to 2047. The City recognized \$1,595 in lease revenue and \$1,847 in interest revenue during the current fiscal year. As of June 30, 2022, the City's receivable for lease payments was \$37,455. In addition, the City has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2022, the balance of the deferred inflows of resources is \$39,866.

Water fund

The City entered into three leases regarding tower property for the transmission and reception of communication signals, construction, maintenance, repair or replacements. The City recognized \$59,264 in lease revenue and \$26,318 in interest revenue for the current fiscal year. As of June 30, 2022, the City's receivable for lease payments was \$591,188. In addition, the City has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2022, the balance of the deferred inflows of resources is \$572,232.

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2022**

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

**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, 2022 are as follows:

| Governmental Activities     |           |                      |                            |                |                           |
|-----------------------------|-----------|----------------------|----------------------------|----------------|---------------------------|
| General Obligation Bonds    | Sale Date | Original Borrowing   | Interest Rates to Maturity | Final Maturity | Outstanding June 30, 2022 |
| Corporate purpose/refunding | 2013      | \$ 21,220,000        | 2.000-3.125                | 2032           | \$ -                      |
| Corporate purpose           | 2014      | 9,395,000            | 2.000-2.500                | 2026           | 3,050,000                 |
| Corporate purpose/refunding | 2015      | 15,670,000           | 3.000-5.000                | 2035           | 5,010,000                 |
| Corporate purpose           | 2016      | 9,020,605            | 2.000-5.000                | 2028           | 3,835,578                 |
| Corporate purpose/refunding | 2017      | 10,975,000           | 2.000-5.000                | 2029           | 4,395,000                 |
| Corporate purpose           | 2018      | 7,490,000            | 3.000-5.000                | 2030           | 5,360,000                 |
| Corporate purpose/TIF       | 2019      | 290,000              | 1.500-5.000                | 2031           | 250,000                   |
| Corporate purpose           | 2019      | 10,230,000           | 1.500-5.000                | 2031           | 7,865,000                 |
| Corporate purpose           | 2020      | 9,500,000            | 1.000-5.000                | 2032           | 8,080,000                 |
| Corporate purpose/refunding | 2020      | 7,929,118            | 1.000-5.000                | 2032           | 4,109,275                 |
| Corporate purpose           | 2021      | 9,850,000            | 1.375-5.000                | 2033           | 9,075,000                 |
| Corporate purpose/refunding | 2021      | 9,372,505            | 1.375-5.000                | 2034           | 8,251,733                 |
|                             |           | <u>\$120,942,228</u> |                            |                | <u>\$ 59,281,586</u>      |

| Business-Type Activities    |           |                     |                            |                |                           |
|-----------------------------|-----------|---------------------|----------------------------|----------------|---------------------------|
| General Obligation Bonds    | Sale Date | Original Borrowing  | Interest Rates to Maturity | Final Maturity | Outstanding June 30, 2022 |
| Corporate purpose           | 2013      | \$ 1,320,000        | 2.00-3.00                  | 2025           | \$ -                      |
| Corporate purpose           | 2014      | 300,000             | 2.00-2.50                  | 2024           | 70,000                    |
| Corporate purpose/refunding | 2015      | 1,860,000           | 3.00-5.00                  | 2027           | 900,000                   |
| Corporate purpose           | 2015      | 915,000             | 3.00-5.00                  | 2027           | 670,000                   |
| Corporate purpose/refunding | 2016      | 2,629,395           | 2.00-5.00                  | 2028           | 899,422                   |
| Corporate purpose           | 2019      | 255,000             | 1.50-5.00                  | 2031           | 215,000                   |
| Corporate purpose/refunding | 2020      | 435,882             | 5.00                       | 2024           | 225,725                   |
| Corporate purpose/refunding | 2021      | 417,495             | 5.00                       | 2025           | 308,267                   |
|                             |           | <u>\$ 8,132,772</u> |                            |                | <u>\$ 3,288,414</u>       |

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2022**

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

**K. Long-term obligations (continued)**

On September 9, 2021, the City issued \$9,850,000 of general obligation, corporate purpose bonds for improvements to street, bridges, and fire vehicles, which had interest rates of 1.375% to 5.000%. Maturity dates on the bonds range from June 1, 2022 to June 1, 2033. Debt Service payments are scheduled to be paid semi-annually in amounts that range from \$981,800 to \$1,046,279. Bonds due after June 1, 2029 may be subject to call prior to maturity at the option of the City.

On September 9, 2021, the City also issued \$9,790,000 of general obligation, refunding bonds. The proceeds from the current refunding were used to refund \$11,055,000 of the 2013 bonds, which had interest rates ranging from 3.000% to 3.125%. Maturity dates on the bonds range from June 1, 2022 to June 1, 2032. Debt Service payments are scheduled to be paid semi-annually in amounts that range from \$810,287 to \$1,533,693. Bonds due after June 1, 2029 may be subject to call prior to maturity at the option of the City. The refunding was undertaken to reduce total future debt service payments by \$1,156,963 over 11 years and to obtain economic gain of \$1,097,393.

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, 2022 are as follows:

| Revenue Bonds                      | Sale Date | Original Borrowing   | Interest Rates to Maturity | Final Maturity | Outstanding June 30, 2022 |
|------------------------------------|-----------|----------------------|----------------------------|----------------|---------------------------|
| Hospital improvement and refunding | 2012      | \$ 19,945,000        | 2.070 %                    | 2027           | \$ 2,360,000              |
| Electric                           | 2015      | 9,500,000            | 2.125-5.000                | 2027           | 4,460,000                 |
| Hospital refunding                 | 2016      | 64,790,000           | 3.000-5.000                | 2036           | 60,285,000                |
| Hospital expansion/remodel         | 2019      | 35,000,000           | 1.990                      | 2034           | 29,370,000                |
|                                    |           | <u>\$129,235,000</u> |                            |                | <u>\$ 96,475,000</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



**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2022**

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

**K. Long-term obligations (continued)**

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, 2022 is \$116,184,633. Principal and interest paid during the fiscal year was \$9,022,940 and net revenue for the same period, as defined above, was \$23,782,198.

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, 2022, is \$4,831,850. Principal and interest paid during the fiscal year ended June 30, 2022, was \$966,306 and net revenue for the same period, as defined above, was \$10,584,584.

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.

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 \$82,576 at June 30, 2022, with a current portion of \$15,246.

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

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2022**

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

**K. Long-term obligations (continued)**

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 received its final disbursement for the loan during fiscal year 2021, with total proceeds, including the loan initiation fee, totaling \$68,081,339. No amounts were borrowed during the fiscal year. The amount of principal outstanding as of June 30, 2022 is \$47,277,000.

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, 2022, net revenues were \$5,688,272 and principal and interest due of \$3,736,260. No amounts were borrowed during the 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 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 \$1,375,000 as of June 30, 2022.

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 0.86% per annum plus a servicing fee of 0.25% per annum. A loan initiation fee of \$30,375 (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 received its final disbursement for the loan during fiscal year 2021, with total proceeds, including the loan initiation fee, totaling \$5,581,055. No amounts were borrowed during the fiscal year. The amount of principal outstanding as of June 30, 2022 is \$4,604,000.

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. No amounts were borrowed during the fiscal year. The amount of principal outstanding as of June 30, 2022 is \$458,000.

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2022**

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

**K. Long-term obligations (continued)**

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, 2022 is \$619,000.

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, 2022, the sewer fund had net revenues of \$4,000,535, and the amount of principal and interest due was \$540,493.

*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, 2020, related to the 2021-2022 fiscal year. At June 30, 2022, the outstanding debt of \$62,570,000 is below the limit of \$259,375,523, leaving a debt margin of over \$196 million.

*Changes in long-term liabilities.* Changes in the City's long-term liabilities for the fiscal year ended June 30, 2022, are as follows:

|  | Balance<br>June 30, 2021,<br>as restated | Additions     | Deletions       | Balance<br>June 30, 2022 | Due Within<br>One Year |
|--|--|---------------|-----------------|--------------------------|------------------------|
| <b><i>Governmental activities:</i></b> |  |               |                 |                          |                        |
| Bonds payable:                         |  |               |                 |                          |                        |
| General obligation bonds               | \$ 59,280,697                            | \$ 19,222,505 | \$ (19,221,616) | \$ 59,281,586            | \$ 8,017,861           |
| Premium                                | 4,915,321                                | 2,564,378     | (1,068,610)     | 6,411,089                | 747,637                |
| Total bonds payable                    | 64,196,018                               | 21,786,883    | (20,290,226)    | 65,692,675               | 8,765,498              |
| Compensated absences                   | 2,506,933                                | 3,616,266     | (3,613,654)     | \$ 2,509,545             | 129,177                |
| Lease liability                        | -  | 112,653       | (47,678)        | \$ 64,975                | 48,709                 |
| Governmental activities long-term debt | \$ 66,702,951                            | \$ 25,515,802 | \$ (23,951,558) | \$ 68,267,195            | \$ 8,943,384           |

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.

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2022**

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

**K. Long-term obligations (continued)**

|   | Balance<br>June 30, 2021,<br>as restated | Additions     | Deletions       | Balance<br>June 30, 2022 | Due Within<br>One Year |
|---|--|---------------|-----------------|--------------------------|------------------------|
| <b><i>Business-type activities:</i></b> |  |               |                 |                          |                        |
| Bonds payable:                          |  |               |                 |                          |                        |
| Revenue bonds                           | \$ 102,935,000                           | \$ -          | \$ (6,460,000)  | \$ 96,475,000            | \$ 6,635,000           |
| Premiums                                | 5,889,332                                | -             | (702,048)       | 5,187,284                | 1,355,401              |
| Total revenue bonds                     | 108,824,332                              | -             | (7,162,048)     | 101,662,284              | 7,990,401              |
| General obligation bonds                | 3,954,303                                | 417,495       | (1,083,384)     | 3,288,414                | 617,139                |
| Premiums                                | 304,728                                  | 56,972        | (74,780)        | 286,920                  | 54,461                 |
| Total general obligation bonds          | 4,259,031                                | 474,467       | (1,158,164)     | 3,575,334                | 671,600                |
| Total bonds payable                     | 113,083,363                              | 474,467       | (8,320,212)     | 105,237,618              | 8,662,001              |
| Compensated absences                    | 8,703,757                                | 10,717,508    | (10,432,602)    | 8,988,663                | 663,963                |
| Lease liability                         | 1,222,867                                | 822,505       | (632,468)       | 1,412,904                | 539,461                |
| Loans payable                           | 323,281                                  | -             | (114,099)       | 209,182                  | 114,099                |
| Capital loan notes payable              | 57,503,000                               | -             | (3,170,000)     | 54,333,000               | 3,224,000              |
| Business-type activities long-term debt | \$ 180,836,268                           | \$ 12,014,480 | \$ (22,669,381) | \$ 170,181,367           | \$ 13,203,524          |

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

| Year Ending<br>June 30, | General Obligation Bonds |              |
|-------------------------|--------------------------|--------------|
|                         | Principal                | Interest     |
| 2023                    | \$ 8,017,861             | \$ 2,056,551 |
| 2024                    | 7,691,519                | 1,736,360    |
| 2025                    | 7,223,692                | 1,416,149    |
| 2026                    | 6,953,849                | 1,107,688    |
| 2027                    | 6,446,187                | 833,663      |
| 2028-2032               | 21,978,478               | 1,468,575    |
| 2033-2037               | 970,000                  | 14,550       |
| Total                   | \$ 59,281,586            | \$ 8,633,536 |

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2022**

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

**K. Long-term obligations (continued)**

| Year Ending<br>June 30, | General Obligation Bonds |                   | Revenue Bonds        |                      |
|-------------------------|--------------------------|-------------------|----------------------|----------------------|
|                         | Principal                | Interest          | Principal            | Interest             |
| 2023                    | \$ 617,139               | \$ 131,581        | \$ 6,635,000         | \$ 3,348,753         |
| 2024                    | 638,481                  | 104,246           | 6,885,000            | 3,096,107            |
| 2025                    | 506,308                  | 77,982            | 7,130,000            | 2,857,764            |
| 2026                    | 406,151                  | 56,194            | 7,380,000            | 2,608,276            |
| 2027                    | 418,813                  | 39,344            | 7,640,000            | 2,346,344            |
| 2028-2032               | 521,522                  | 64,619            | 34,450,000           | 8,131,638            |
| 2033-2037               | 180,000                  | 11,625            | 26,355,000           | 2,152,602            |
| Total                   | <u>\$ 3,288,414</u>      | <u>\$ 485,591</u> | <u>\$ 96,475,000</u> | <u>\$ 24,541,484</u> |

| Year Ending<br>June 30, | Capital Loan Notes   |                     | Loans             |             |
|-------------------------|----------------------|---------------------|-------------------|-------------|
|                         | Principal            | Interest            | Principal         | Interest    |
| 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                    | 3,449,000            | -                   | -                 | -           |
| 2028-2032               | 18,156,000           | -                   | -                 | -           |
| 2033-2037               | 19,145,000           | -                   | -                 | -           |
| 2038-2041               | 356,000              | -                   | -                 | -           |
| Total                   | <u>\$ 54,333,000</u> | <u>\$ 3,805,748</u> | <u>\$ 209,182</u> | <u>\$ -</u> |

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2022**

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

**K. Long-term obligations (continued)**

| Year Ending<br>June 30, | Total Business -<br>Type Activities |                      | Total Primary<br>Government Debt |                      |
|-------------------------|-------------------------------------|----------------------|----------------------------------|----------------------|
|                         | Principal                           | Interest             | Principal                        | Interest             |
| 2023                    | \$ 10,590,238                       | \$ 4,526,018         | \$ 18,608,099                    | \$ 6,582,569         |
| 2024                    | 10,895,564                          | 4,183,916            | 18,587,083                       | 5,920,276            |
| 2025                    | 10,971,308                          | 3,856,145            | 18,195,000                       | 5,272,294            |
| 2026                    | 11,177,151                          | 3,520,572            | 18,131,000                       | 4,628,260            |
| 2027                    | 11,507,813                          | 2,385,688            | 17,954,000                       | 3,219,351            |
| 2028-2032               | 53,127,522                          | 8,196,257            | 75,106,000                       | 9,664,832            |
| 2033-2037               | 45,680,000                          | 2,164,227            | 46,650,000                       | 2,178,777            |
| 2038-2041               | 356,000                             | -                    | 356,000                          | -                    |
| Total                   | <u>\$ 154,305,596</u>               | <u>\$ 28,832,823</u> | <u>\$ 213,587,182</u>            | <u>\$ 37,466,359</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.

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

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2022**

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

**L. Fund balance (continued)**

|                                     | General      | Capital<br>Projects | Debt<br>Service | Special<br>Revenues | Permanent<br>Funds | Total        |
|-------------------------------------|--------------|---------------------|-----------------|---------------------|--------------------|--------------|
| Nonspendable:                       |              |                     |                 |                     |                    |              |
| Inventory                           | \$ 11,007    | \$ -                | \$ -            | \$ 961,353          | \$ -               | \$ 972,360   |
| Prepaid items                       | 153,985      | -                   | -               | 46,630              | -                  | 200,615      |
| Perpetual care principal            | -            | -                   | -               | -                   | 1,067,397          | 1,067,397    |
| Aquatic center endowment            | -            | -                   | -               | -                   | 1,000,000          | 1,000,000    |
| Total nonspendable fund balance     | 164,992      | -                   | -               | 1,007,983           | 2,067,397          | 3,240,372    |
| Restricted:                         |              |                     |                 |                     |                    |              |
| Debt service                        | -            | -                   | 2,090,539       | 1,558,532           | -                  | 3,649,071    |
| Aquatic center                      | -            | -                   | -               | -                   | 80,414             | 80,414       |
| Street construction                 | -            | -                   | -               | 8,303,664           | -                  | 8,303,664    |
| Environment and economic betterment | -            | 2,192,106           | -               | 20,395,688          | -                  | 22,587,794   |
| General obligation bond projects    | -            | 19,661,131          | -               | -                   | -                  | 19,661,131   |
| Housing assistance                  | -            | -                   | -               | 9,712               | -                  | 9,712        |
| Public safety                       | -            | -                   | -               | 356,038             | -                  | 356,038      |
| Public safety pension               | -            | -                   | -               | 155,198             | -                  | 155,198      |
| Library                             | -            | -                   | -               | 430,588             | -                  | 430,588      |
| Parks and recreation                | -            | 1,941,155           | -               | -                   | -                  | 1,941,155    |
| Project Share                       | -            | -                   | -               | 4,820               | -                  | 4,820        |
| Developers' projects                | -            | -                   | -               | 226,720             | -                  | 226,720      |
| Total restricted fund balance       | -            | 23,794,392          | 2,090,539       | 31,440,960          | 80,414             | 57,406,305   |
| Committed:                          |              |                     |                 |                     |                    |              |
| Bike trails                         | -            | -                   | -               | 10,026              | -                  | 10,026       |
| Parks and recreation                | -            | 1,240,669           | -               | 154,562             | -                  | 1,395,231    |
| Housing assistance                  | -            | -                   | -               | 425,962             | -                  | 425,962      |
| Green energy projects               | -            | -                   | -               | 9,989               | -                  | 9,989        |
| Environment and economic betterment | -            | -                   | -               | 547,165             | -                  | 547,165      |
| Public Art Donations                | -            | -                   | -               | 32                  | -                  | 32           |
| Total committed fund balance        | -            | 1,240,669           | -               | 1,147,736           | -                  | 2,388,405    |
| Assigned:                           |              |                     |                 |                     |                    |              |
| Administration                      | 94,389       | -                   | -               | -                   | -                  | 94,389       |
| City Hall maintenance               | 95,417       | -                   | -               | -                   | -                  | 95,417       |
| Police operations                   | 13,136       | -                   | -               | -                   | -                  | 13,136       |
| Library maintenance                 | 14,307       | -                   | -               | -                   | -                  | 14,307       |
| Parks and recreation                | 19,824       | -                   | -               | -                   | -                  | 19,824       |
| Parks and recreation maintenance    | 1,493,127    | -                   | -               | -                   | -                  | 1,493,127    |
| Public relations                    | 21,418       | -                   | -               | -                   | -                  | 21,418       |
| PW/Airport                          | 50,000       | -                   | -               | -                   | -                  | 50,000       |
| Fire                                | 33,489       | -                   | -               | -                   | -                  | 33,489       |
| Total assigned fund balance         | 1,835,107    | -                   | -               | -                   | -                  | 1,835,107    |
| Unassigned                          | 12,329,478   | (2,522,762)         | -               | (665,893)           | -                  | 9,140,823    |
| Total fund balance                  | \$14,329,577 | \$22,512,299        | \$ 2,090,539    | \$32,930,786        | \$ 2,147,811       | \$74,011,012 |

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2022**

**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, 2022, is as follows:

| Receivable Fund  | Payable Fund        |                   |                   |                   |                   |                   |
|------------------|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                  | General Fund        | Capital Projects  | Debt Service      | Electric          | Sewer             | Water             |
| Major Funds:     |                     |                   |                   |                   |                   |                   |
| General Fund     | \$ -                | \$ 704            | \$ -              | \$ 120,996        | \$ 35,913         | \$ 47,163         |
| Capital Projects | -                   | -                 | -                 | -                 | -                 | -                 |
| Debt Service     | -                   | -                 | -                 | -                 | -                 | -                 |
| Electric         | 79,824              | -                 | -                 | -                 | 28,192            | 29,776            |
| Sewer            | 1,591               | -                 | -                 | 27,852            | -                 | 19,472            |
| Water            | 2,192               | 1,867             | -                 | 57,388            | 62,879            | -                 |
| Non-Major Funds: |                     |                   |                   |                   |                   |                   |
| Permanent        | 69,562              | -                 | -                 | -                 | -                 | -                 |
| Special Revenue  | 796,855             | 647,012           | -                 | 636               | 124,280           | 108,321           |
| Enterprise       | 77,588              | 28,985            | 482,331           | 145,861           | 3,321             | -                 |
| Internal Service | 257,513             | 3,218             | -                 | 95,225            | 35,232            | 54,077            |
| Total            | <u>\$ 1,285,125</u> | <u>\$ 681,786</u> | <u>\$ 482,331</u> | <u>\$ 447,958</u> | <u>\$ 289,817</u> | <u>\$ 258,809</u> |

| Receivable Fund  | Payable Fund              |                                 |                            |                                  |                     |
|------------------|---------------------------|---------------------------------|----------------------------|----------------------------------|---------------------|
|                  | Non-Major Permanent Funds | Non-Major Special Revenue Funds | Non-Major Enterprise Funds | Non-Major Internal Service Funds | Total               |
| Major Funds:     |                           |                                 |                            |                                  |                     |
| General Fund     | \$ -                      | \$ 1,331,976                    | \$ 262,175                 | \$ 61,004                        | \$ 1,859,931        |
| Debt Service     | -                         | -                               | 483,065                    | -                                | 483,065             |
| Electric         | -                         | 252                             | 1,534                      | 937                              | 140,515             |
| Sewer            | -                         | 519                             | -                          | -                                | 49,434              |
| Water            | -                         | 519                             | 273                        | 5,373                            | 130,491             |
| Non-Major Funds: |                           |                                 |                            |                                  |                     |
| Permanent        | -                         | -                               | -                          | -                                | 69,562              |
| Special Revenue  | -                         | 126,010                         | 67,875                     | 56,186                           | 1,927,175           |
| Enterprise       | -                         | 5,201                           | (6,915)                    | 1,494                            | 737,866             |
| Internal Service | -                         | 303,831                         | 98,791                     | 5,758                            | 853,645             |
| Total            | <u>\$ -</u>               | <u>\$ 1,768,308</u>             | <u>\$ 906,798</u>          | <u>\$ 130,752</u>                | <u>\$ 6,251,684</u> |

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, 2022**

**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, 2022, is as follows:

| Transfers In     | Transfers Out       |                   |                     |                  |                  |                                 | Total                |
|------------------|---------------------|-------------------|---------------------|------------------|------------------|---------------------------------|----------------------|
|                  | General Fund        | Capital Projects  | Electric            | Sewer            | Water            | Non-Major Special Revenue Funds |                      |
| Major Funds:     |                     |                   |                     |                  |                  |                                 |                      |
| General Fund     | \$ -                | \$ -              | \$ 2,295,682        | \$ -             | \$ -             | \$ 9,440,169                    | \$ 11,735,851        |
| Capital Projects | 1,200,000           | -                 | -                   | -                | -                | 317,576                         | 1,517,576            |
| Debt Service     | 900,000             | 318,313           | -                   | -                | -                | 331,425                         | 1,549,738            |
| Non-Major Funds: |                     |                   |                     |                  |                  |                                 |                      |
| Special Revenue  | -                   | -                 | -                   | -                | -                | 138,180                         | 138,180              |
| Enterprise       | 3,125,326           | 160,712           | -                   | -                | -                | 25,489                          | 3,311,527            |
| Internal Service | 20,000              | -                 | -                   | 25,000           | 25,000           | 25,000                          | 95,000               |
| Total            | <u>\$ 5,245,326</u> | <u>\$ 479,025</u> | <u>\$ 2,295,682</u> | <u>\$ 25,000</u> | <u>\$ 25,000</u> | <u>\$ 10,277,839</u>            | <u>\$ 18,347,872</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 \$80,414 at June 30, 2022, 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.

**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 \$4,552,335. Certain agreements include provisions for the payment of interest.

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2022**

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

**P. Urban renewal development agreements (continued)**

During the fiscal year ended June 30, 2022, the City rebated \$686,715 of incremental property tax to developers, which was all for principal. The total cumulative principal amount rebated on the agreements is \$2,430,141. The outstanding balance on the agreements at June 30, 2022 was \$2,122,194.

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, 2022, the City abated \$686,715 of property tax under urban renewal and economic development projects. The City's property tax revenue was not reduced by any amount under agreements entered into by any other entities for the year ended June 30, 2022.

**R. Implementation of GASB Statement No. 87**

As of July 1, 2021, the City adapted GASB Statement No. 87, "Leases". The objective of the Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The impact to the City resulted

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2022**

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

**R. Implementation of GASB Statement No. 87 (continued)**

in the reporting of lease receivable and deferred inflows of resources related to leases. The result of these changes had no effect on the beginning net position/fund balance.

**S. Contingencies**

The City's Legal Department reported to management that, as of June 30, 2022, 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.

Hospital contingencies

*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 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.

*CMS RAC Program.* Congress passed the Medicare Modernization Act in 2003, which among other things established a demonstration of The Medicare Recovery Audit Contractor (RAC) program. The RACs identified and corrected a significant amount of improper overpayments to providers. In 2006, Congress passed the Tax Relief and Health Care Act of 2006 which authorized the expansion of the RAC program to all 50 states. The Medical Center has been subject to such audits and may continue to be subject to additional audits at some time in the future. Management believes the outcome of any such audits will not have a material adverse effect on the Medical Center's financial position.

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2022**

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

**S. Contingencies (continued)**

*Current economic conditions.* The current labor market conditions have challenged employers to make adjustments to health insurance plans, and thus services provided to self-pay and other payors may significantly impact net patient service revenue, which could have an adverse impact on the Medical Center's future operating revenue, which could have an adverse impact on the Medical Center's future operating results. Further, the effect of economic conditions 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.

**T. 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.

**U. 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, 2022, the acquisition of computer hardware, carrying no interest and requires monthly payments of \$9,508 and matures in fiscal year 2024.

**V. Subsequent Events**

On November 22, 2022, the City issued \$12,440,000 of general obligation, corporate purpose bonds for paying the cost of constructing improvements to streets and bridges, fire apparatus replacement, and an intelligent transportation system. The interest rates on the bonds range from 4.00% to 5.00% with final maturity on June 1, 2034.

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

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2022**

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

**V. Subsequent Events (continued)**

proceeds and added to the amount owed by the City. Repayment of the loan will come from the water fund.

On January 27, 2023, the City entered into a revenue capital loan note agreement with the IFA in an amount not to exceed \$4,071,000. The funds will be used for sanitary sewer rehabilitation. The loan bears interest at 1.75% per annum plus a servicing fee of 0.25% per annum. A loan initiation fee of \$20,355 (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.

On January 27, 2023, the City entered into a revenue capital loan note agreement with the IFA in an amount not to exceed \$8,357,000. The funds will be used for sanitary sewer rehabilitation. The loan bears interest at 2.75% per annum plus a servicing fee of 0.25% per annum. A loan initiation fee of \$41,875 (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.

**W. Change in Accounting Principles**

***City of Ames Restatement***

As of July 1, 2021, the City changed its method of accounting for airport operations. These operations were previously accounted for in the general and capital projects funds. The operations of the airport are now accounted for in a new airport enterprise fund. The City elected this change because it feels that the presentation is preferable because it makes the airport activities more transparent. In addition, as of July 1, 2021 the City adopted GASB Statement 87, *Leases*. The implementation of this standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on provision of the contract. The standard also requires lessors to recognize a lease receivable and deferred inflow of resources. The implementation of these changes had the following impact on beginning balances:

**City of Ames**  
**Notes to the Financial Statements**  
**June 30, 2022**

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

**W. Restatement of beginning balances (continued)**

|  | General              | Capital Projects     | Governmental<br>Activities | Water                | Other<br>Enterprise<br>Funds | Business-<br>Type<br>Activities | Airport             |
|--|----------------------|----------------------|----------------------------|----------------------|------------------------------|---------------------------------|---------------------|
| Net position June 30, 2021<br>as previously reported | \$ 15,590,469        | \$ 20,225,008        | \$ 192,125,054             | \$ 71,691,399        | \$ 55,455,481                | \$ 821,966,262                  | \$ -                |
| Implement GASBS No. 87, <i>Leases</i>                |                      |                      |                            |                      |                              |                                 |                     |
| Lease Receivable                                     | 470,739              | -                    | 470,739                    | 631,496              | 41,461                       | 672,957                         | -                   |
| Deferred inflows leases                              | (470,739)            | -                    | (470,739)                  | (631,496)            | (41,461)                     | (672,957)                       | -                   |
| Change in accounting principle, airport              |                      |                      |                            |                      |                              |                                 |                     |
| Capital Assets                                       | -                    | -                    | (18,246,745)               | -                    | 18,246,745                   | 18,246,745                      | 18,246,745          |
| Accumulated Depreciation                             | -                    | -                    | 8,810,175                  | -                    | (8,810,175)                  | (8,810,175)                     | (8,810,175)         |
| Long Term Debt                                       | -                    | -                    | 710,000                    | -                    | (710,000)                    | (710,000)                       | (710,000)           |
| Premiums   | -                    | -                    | 24,420                     | -                    | (24,420)                     | (24,420)                        | (24,420)            |
| Accounts receivable                                  | -                    | (577,915)            | (577,915)                  | -                    | 577,915                      | 577,915                         | 577,915             |
| Unavailable revenue                                  | -                    | 577,915              | -                          | -                    | -                            | -                               | -                   |
| Net position July 1, 2021,<br>as restated            | <u>\$ 15,590,469</u> | <u>\$ 20,225,008</u> | <u>\$ 182,844,989</u>      | <u>\$ 71,691,399</u> | <u>\$ 64,735,546</u>         | <u>\$ 831,246,327</u>           | <u>\$ 9,280,065</u> |

***Hospital Restatement***

As of July 1, 2021, the hospital adopted GASB Statement No. 87, *Leases*. The implementation of this standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The effect of the implementation of this standard had the following impact on beginning balances.

|                                | June 30, 2021 |                   |               |
|--------------------------------|---------------|-------------------|---------------|
|                                | GASB 87       |                   |               |
|                                | Adjustments   |                   |               |
|                                | As Previously | and Other         |               |
|                                | Reported      | Reclassifications | As Restated   |
| Assets:                        |               |                   |               |
| Current                        | \$ 50,273,042 | \$ 786,464        | \$ 51,059,506 |
| Noncurrent                     | 613,939,671   | 3,326,757         | 617,266,428   |
| Liabilities:                   |               |                   |               |
| Current                        | 32,880,292    | 452,111           | 33,332,403    |
| Noncurrent                     | 162,782,183   | 803,850           | 163,586,133   |
| Deferred inflows               | 2,417,880     | 2,825,396         | 5,243,276     |
| Net Position                   | 488,150,605   | 31,764            | 488,182,369   |
| Operating revenue              | 210,825,315   | 393,143           | 211,218,458   |
| Operating expenses             | 200,443,002   | 448,718           | 200,891,720   |
| Nonoperating revenue (expense) | 74,279,725    | 87,339            | 74,367,064    |





# REQUIRED SUPPLEMENTARY INFORMATION



**City of Ames**  
**Schedule of the City's Proportionate Share of the Net Pension Liability (Asset)**  
**Iowa Public Employees' Retirement System**  
**Last Eight Fiscal Years\***

|  | 2022          | 2021          | 2020         | 2019         | 2018         | 2017         | 2016         | 2015          |
|--|---------------|---------------|--------------|--------------|--------------|--------------|--------------|---------------|
| City's proportion of the net pension liability(asset)  | (0.0380697%)  | 1.1986846%    | 1.1690479%   | 1.1516658%   | 1.1292958%   | 1.1552370%   | 1.1616104%   | 1.2008652%    |
| City's proportionate share of the net pension liability  | \$ 131,427    | \$ 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*  | \$ 96,853,385 | \$ 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 | 0.14%         | 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                     | 100.81%       | 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*.

\*\*The plan has 3 groups, regular, sheriff, and protective. In total, the Plan reported a net pension asset at June 30, 2021. The City only participates in the regular and protective groups. The City's portion of the regular group's net pension liability at June 30, 2021, exceeded the City's share of the protective group's net pension asset, resulting in the City reporting a net pension liability at June 30, 2022.

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<br>Year<br>Ended | Statutorily<br>Required<br>Contribution | Contributions<br>in Relation to<br>the Statutorily<br>Required<br>Contribution | Contribution<br>Deficiency<br>(Excess) | City's<br>Covered<br>Payroll | Contributions<br>as a Percentage<br>of Covered<br>Payroll |
|-------------------------|---|--|--|------------------------------|---|
| 2022                    | \$ 10,223,542                           | \$ 10,223,542  | -                                      | 108,490,284                  | 9.42%   |
| 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%   |

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 (Asset)**  
**Municipal Fire and Police Retirement System of Iowa**  
**Last Eight Fiscal Years\***

|  | 2022         | 2021          | 2020         | 2019         | 2018         | 2017         | 2016         | 2015         |
|--|--------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|
| City's proportion of the net pension liability   | 2.675493%    | 2.677595%     | 2.663532%    | 2.719769%    | 2.651310%    | 2.649945%    | 2.696727%    | 2.684406%    |
| City's proportionate share of the net pension liability  | \$ 6,008,465 | \$ 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*  | \$ 8,643,628 | \$ 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 | 69.51%       | 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                     | 93.62%       | 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<br>Year<br>Ended | Statutorily<br>Required<br>Contribution | Contributions<br>in Relation to<br>the Statutorily<br>Required<br>Contribution | Contribution<br>Deficiency<br>(Excess) | City's<br>Covered<br>Payroll | Contributions<br>as a Percentage<br>of Covered<br>Payroll |
|-------------------------|---|--|--|------------------------------|---|
| 2022                    | \$ 2,268,424                            | \$ 2,268,424   | -                                      | \$ 8,665,848                 | 26.18%  |
| 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%  |

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 Five Years\***

| <b>City:</b>   | 2022                 | 2021                 | 2020                 | 2019                 | 2018                 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total OPEB liability   |                      |                      |                      |                      |                      |
| Service cost   | \$ 181,568           | \$ 177,816           | \$ 140,814           | \$ 128,949           | \$ 124,144           |
| Interest   | 56,886               | 57,031               | 74,532               | 76,772               | 75,321               |
| Differences between expected and actual experience               | 398,929              | -                    | (374,352)            | -                    | -                    |
| Changes in assumptions or other inputs                           | (99,678)             | 11,592               | 746,954              | 70,173               | (51,203)             |
| Benefit payments   | (197,042)            | (197,291)            | (150,412)            | (133,691)            | (97,725)             |
| Net change in total OPEB liability                               | 340,663              | 49,148               | 437,536              | 142,203              | 50,537               |
| Total OPEB liability, beginning                                  | 2,550,569            | 2,501,421            | 2,063,885            | 1,921,682            | 1,871,145            |
| Total OPEB liability, ending                                     | <u>\$ 2,891,232</u>  | <u>\$ 2,550,569</u>  | <u>\$ 2,501,421</u>  | <u>\$ 2,063,885</u>  | <u>\$ 1,921,682</u>  |
| Covered-employee payroll   | <u>\$ 41,514,170</u> | <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 | 6.96%                | 6.25%                | 6.33%                | 5.50%                | 5.05%                |

**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% |
| 2022 | 3.54% |

\* 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 Five Years\***

| <b>Hospital:</b>   | 2022                 | 2021                 | 2020                 | 2019                 | 2018                 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total OPEB liability   |                      |                      |                      |                      |                      |
| Service cost   | \$ 227,329           | \$ 201,432           | \$ 171,392           | \$ 183,570           | \$ 230,410           |
| Interest   | 98,212               | 147,571              | 188,216              | 171,689              | 155,873              |
| Differences between expected and actual experience               | (339,352)            | (432,129)            | (480,311)            | (518,903)            | 907,372              |
| Changes in assumptions or other inputs                           | 61,467               | 349,124              | 211,750              | (208,768)            | (448,839)            |
| Benefit payments   | (135,587)            | (235,143)            | (113,258)            | 57,836               | (10,501)             |
| Net change in total OPEB liability                               | (87,931)             | 30,855               | (22,211)             | (314,576)            | 834,315              |
| Total OPEB liability, beginning                                  | 4,472,772            | 4,441,917            | 4,464,128            | 4,778,704            | 3,944,389            |
| Total OPEB liability, ending                                     | <u>\$ 4,384,841</u>  | <u>\$ 4,472,772</u>  | <u>\$ 4,441,917</u>  | <u>\$ 4,464,128</u>  | <u>\$ 4,778,704</u>  |
| Covered-employee payroll   | <u>\$ 73,471,503</u> | <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>5.97%</u>         | <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% |
| 2022 | 2.25% |

\* 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, 2022**

|  | Governmental<br>Funds<br>Actual | Proprietary<br>Funds<br>Actual | Total<br>Actual | Original<br>Budget | Final<br>Budget | Variance -<br>Actual to<br>Final |
|--|---------------------------------|--------------------------------|-----------------|--------------------|-----------------|----------------------------------|
| Revenues and other financing sources:  |                                 |                                |                 |                    |                 |                                  |
| Taxes levied on property   | \$ 31,805,581                   | \$ -                           | \$ 31,805,581   | \$ 32,343,273      | \$ 32,343,273   | \$ (537,692)                     |
| Delinquent property taxes  | 356                             | -                              | 356             | -                  | -               | 356                              |
| TIF revenues   | 1,874,167                       | -                              | 1,874,167       | 1,918,072          | 1,918,072       | (43,905)                         |
| Other taxes  | 13,891,196                      | -                              | 13,891,196      | 11,015,944         | 13,327,338      | 563,858                          |
| Licenses and permits   | 1,198,379                       | 21,600                         | 1,219,979       | 1,628,340          | 1,578,652       | (358,673)                        |
| Use of money and property  | (1,007,851)                     | (39,451,314)                   | (40,459,165)    | 15,328,826         | 10,660,229      | (51,119,394)                     |
| Intergovernmental  | 32,615,230                      | 24,189,851                     | 56,805,081      | 29,571,848         | 71,388,109      | (14,583,028)                     |
| Charges for services   | 2,221,071                       | 318,569,396                    | 320,790,467     | 300,905,633        | 316,586,706     | 4,203,761                        |
| Special assessments  | 250,102                         | -                              | 250,102         | 318,313            | 318,313         | (68,211)                         |
| Miscellaneous  | 745,387                         | 2,304,915                      | 3,050,302       | 695,191            | 865,378         | 2,184,924                        |
| Other financing sources  | 40,396,110                      | 6,604,523                      | 47,000,633      | 17,681,400         | 42,364,877      | 4,635,756                        |
| Transfers in   | 18,609,227                      | 3,311,527                      | 21,920,754      | 16,944,645         | 21,370,114      | 550,640                          |
| Total revenues and other financing sources   | 142,598,955                     | 315,550,498                    | 458,149,453     | 428,351,485        | 512,721,061     | (54,571,608)                     |
| Expenditures and other financing uses:   |                                 |                                |                 |                    |                 |                                  |
| General government   | 3,336,782                       | -                              | 3,336,782       | 3,212,079          | 4,091,872       | 755,090                          |
| Public safety  | 19,670,023                      | -                              | 19,670,023      | 21,308,438         | 20,386,673      | 716,650                          |
| Public works   | 7,587,030                       | -                              | 7,587,030       | 7,591,152          | 7,833,794       | 246,764                          |
| Health and social services   | 1,634,714                       | -                              | 1,634,714       | 1,628,056          | 1,797,493       | 162,779                          |
| Culture and recreation   | 9,369,891                       | -                              | 9,369,891       | 9,690,222          | 10,090,211      | 720,320                          |
| Community and economic development   | 4,201,066                       | -                              | 4,201,066       | 4,557,105          | 8,851,789       | 4,650,723                        |
| Debt service   | 22,928,879                      | -                              | 22,928,879      | 11,988,237         | 22,565,850      | (363,029)                        |
| Capital outlay   | 17,915,789                      | -                              | 17,915,789      | 21,764,505         | 58,968,227      | 41,052,438                       |
| Total governmental expenditures  | 86,644,174                      | -                              | 86,644,174      | 81,739,794         | 134,585,909     | 47,941,735                       |
| Business-type expenditures   | -                               | 318,789,502                    | 318,789,502     | 304,388,935        | 371,583,828     | 52,794,326                       |
| Total expenditures and other financing uses  | 86,644,174                      | 318,789,502                    | 405,433,676     | 386,128,729        | 506,169,737     | 100,736,061                      |
| Other financing uses   | 18,372,925                      | 3,547,829                      | 21,920,754      | 16,944,645         | 21,370,114      | (550,640)                        |
| Total expenditures, other financing uses,<br>and transfers out   | 105,017,099                     | 322,337,331                    | 427,354,430     | 403,073,374        | 527,539,851     | 100,185,421                      |
| Excess revenues and other financing sources<br>over (under) expenditures, other financing uses,<br>and transfers out | 37,581,856                      | (6,786,833)                    | 30,795,023      | 25,278,111         | (14,818,790)    | 45,613,813                       |
| Fund balances, beginning   | 63,408,104                      | 859,346,987                    | 922,755,091     | 743,042,054        | 709,046,198     | 213,708,893                      |
| Fund balances, ending  | \$100,989,960                   | \$852,560,154                  | \$953,550,114   | \$768,320,165      | \$694,227,408   | \$259,322,706                    |

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, 2022**

|   | Governmental Funds    |                        |                              | Proprietary Funds     |                        |                       |
|---|-----------------------|------------------------|------------------------------|-----------------------|------------------------|-----------------------|
|   | Budget<br>Basis       | Adjustments            | Modified<br>Accrual<br>Basis | Budget<br>Basis       | Adjustments            | Accrual<br>Basis      |
| Revenues and other financing sources  | \$ 142,598,955        | \$ (25,690,364)        | \$ 116,908,591               | \$ 315,550,498        | \$ 126,632             | \$ 315,677,130        |
| Expenditures and other financing uses   | 105,017,099           | (3,673,030)            | 101,344,069                  | 322,337,331           | 1,858,107              | 324,195,438           |
| Excess revenues and other financing sources<br>over expenditures and other financing uses | 37,581,856            | (22,017,334)           | 15,564,522                   | (6,786,833)           | (1,731,475)            | (8,518,308)           |
| Fund balances, beginning  | 63,408,104            | (4,961,614)            | 58,446,490                   | 859,346,987           | (40,115,141)           | 819,231,846           |
| Fund balances, ending   | <u>\$ 100,989,960</u> | <u>\$ (26,978,948)</u> | <u>\$ 74,011,012</u>         | <u>\$ 852,560,154</u> | <u>\$ (41,846,616)</u> | <u>\$ 810,713,538</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, 2022**

**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.

**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.



**City of Ames**  
**Notes to the Required Supplementary Information (continued)**  
**June 30, 2022**

**I. Pension Liability (continued)**

**MFPRSI (continued):**

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.

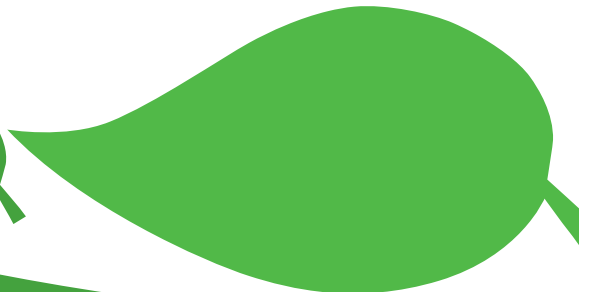
In accordance with the Code of Iowa, the City Council annually adopts a budget on the modified accrual basis of accounting and follows the public notice and hearing requirements. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures. Encumbrances are not 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 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 \$124,466,477. These amendments are reflected in the final budget amounts.



# SUPPLEMENTARY INFORMATION



**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 Funds - 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, Public Art Donations, Police and Fire Donations, and Animal Shelter Donations Funds- to account for donations to be used for specific purposes and activities.

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.

**City of Ames**  
**Non-Major Governmental Funds**  
**Special Revenue Funds**

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 with 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, 2022**

|  | <u>Permanent Funds</u>                             |                           |  |   |
|--|--|---------------------------|--|---|
|  | <b>Non-Major<br/>Special<br/>Revenue<br/>Funds</b> | <b>Perpetual<br/>Care</b> | <b>Furman<br/>Aquatic<br/>Center<br/>Endowment</b> | <b>Total<br/>Non-Major<br/>Governmental<br/>Funds</b> |
| <b>ASSETS</b>  |  |                           |  |   |
| Cash and cash equivalents  | \$ 8,592,746                                       | \$ 18,744                 | \$ 234,644   | \$ 8,846,134  |
| Investments  | 27,388,569   | 978,610                   | 844,604  | 29,211,783  |
| Taxes receivable   | 3,182  | -                         | -  | 3,182   |
| Accrued interest receivable  | 2,853  | -                         | 1,166  | 4,019   |
| Accounts receivable, net   | 5,305  | 481                       | -  | 5,786   |
| Intergovernmental receivable   | 2,565,033  | -                         | -  | 2,565,033   |
| Loans receivable   | 886  | -                         | -  | 886   |
| Due from other funds   | 1,927,176  | 69,562                    | -  | 1,996,738   |
| Inventories  | 961,353  | -                         | -  | 961,353   |
| Prepaid items  | 46,630   | -                         | -  | 46,630  |
| Succeeding year taxes receivable                                       | 2,182,895  | -                         | -  | 2,182,895   |
| Long-term loans receivable   | 2,136  | -                         | -  | 2,136   |
| Total assets   | <u>\$ 43,678,764</u>                               | <u>\$ 1,067,397</u>       | <u>\$ 1,080,414</u>                                | <u>\$ 45,826,575</u>                                  |
| <b>LIABILITIES</b>   |  |                           |  |   |
| Accounts payable   | \$ 1,270,192                                       | \$ -                      | \$ -   | \$ 1,270,192  |
| Accrued payroll  | 110,871  | -                         | -  | 110,871   |
| Retainage payable  | 59,379   | -                         | -  | 59,379  |
| Customer deposits  | 728,817  | -                         | -  | 728,817   |
| Intergovernmental payable  | 2,469  | -                         | -  | 2,469   |
| Due to other funds   | 1,768,308  | -                         | -  | 1,768,308   |
| Unearned revenue   | 4,007,378  | -                         | -  | 4,007,378   |
| Total liabilities  | <u>7,947,414</u>                                   | <u>-</u>                  | <u>-</u>   | <u>7,947,414</u>                                      |
| <b>DEFERRED INFLOWS OF<br/>RESOURCES</b>                               |  |                           |  |   |
| Unavailable revenue:   |  |                           |  |   |
| Property taxes   | 2,182,895  | -                         | -  | 2,182,895   |
| Grants   | 617,669  | -                         | -  | 617,669   |
| Total deferred inflows of resources                                    | <u>2,800,564</u>                                   | <u>-</u>                  | <u>-</u>   | <u>2,800,564</u>                                      |
| <b>FUND BALANCES (DEFICITS)</b>  |  |                           |  |   |
| Nonspendable   | 1,007,983  | 1,067,397                 | 1,000,000  | 3,075,380   |
| Restricted   | 31,440,960   | -                         | 80,414   | 31,521,374  |
| Committed  | 1,147,736  | -                         | -  | 1,147,736   |
| Unassigned   | (665,893)  | -                         | -  | (665,893)   |
| Total fund balances  | <u>32,930,786</u>                                  | <u>1,067,397</u>          | <u>1,080,414</u>                                   | <u>35,078,597</u>                                     |
| Total liabilities, deferred inflows of resources,<br>and fund balances | <u>\$ 43,678,764</u>                               | <u>\$ 1,067,397</u>       | <u>\$ 1,080,414</u>                                | <u>\$ 45,826,575</u>                                  |

**City of Ames**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2022**

|                                       | <u>Permanent Funds</u>                             |                           |  |   |
|---------------------------------------|--|---------------------------|--|---|
|                                       | <b>Non-Major<br/>Special<br/>Revenue<br/>Funds</b> | <b>Perpetual<br/>Care</b> | <b>Furman<br/>Aquatic<br/>Center<br/>Endowment</b> | <b>Total<br/>Non-Major<br/>Governmental<br/>Funds</b> |
| <b>REVENUES</b>                       |  |                           |  |   |
| Taxes                                 | \$ 18,036,023                                      | \$ -                      | \$ -   | \$ 18,036,023   |
| Intergovernmental                     | 21,395,895   | -                         | -  | 21,395,895  |
| Charges for services                  | -  | 29,356                    | -  | 29,356  |
| Investment income                     | (44,308)   | -                         | (22,564)   | (66,872)  |
| Miscellaneous                         | 56,378   | -                         | -  | 56,378  |
| Total revenues                        | <u>39,443,988</u>                                  | <u>29,356</u>             | <u>(22,564)</u>                                    | <u>39,450,780</u>                                     |
| <b>EXPENDITURES</b>                   |  |                           |  |   |
| Current:                              |  |                           |  |   |
| General government                    | 482,306  | -                         | -  | 482,306   |
| Public safety                         | 135,528  | -                         | -  | 135,528   |
| Public works                          | 6,479,024  | -                         | -  | 6,479,024   |
| Health and social services            | 1,634,714  | -                         | -  | 1,634,714   |
| Culture and recreation                | 604,137  | -                         | 44,450   | 648,587   |
| Community and economic development    | 3,113,940  | -                         | -  | 3,113,940   |
| Capital outlay                        | 3,687,851  | -                         | 49,285   | 3,737,136   |
| Total expenditures                    | <u>16,137,500</u>                                  | <u>-</u>                  | <u>93,735</u>                                      | <u>16,231,235</u>                                     |
| Excess of revenues over expenditures  | <u>23,306,488</u>                                  | <u>29,356</u>             | <u>(116,299)</u>                                   | <u>23,219,545</u>                                     |
| <b>OTHER FINANCING SOURCES (USES)</b> |  |                           |  |   |
| Transfers in                          | 138,180  | -                         | -  | 138,180   |
| Transfers out                         | (10,277,839)                                       | -                         | -  | (10,277,839)  |
| Total other financing sources (uses)  | <u>(10,139,659)</u>                                | <u>-</u>                  | <u>-</u>   | <u>(10,139,659)</u>                                   |
| Net change in fund balance            | 13,166,829   | 29,356                    | (116,299)  | 13,079,886  |
| Fund balances, beginning              | <u>19,763,957</u>                                  | <u>1,038,041</u>          | <u>1,196,713</u>                                   | <u>21,998,711</u>                                     |
| Fund balances, ending                 | <u>\$ 32,930,786</u>                               | <u>\$ 1,067,397</u>       | <u>\$ 1,080,414</u>                                | <u>\$ 35,078,597</u>                                  |



**City of Ames**  
**Combining Balance Sheet**  
**Non-Major Special Revenue Funds**  
**June 30, 2022**

|   | Metro<br>Coalition | Local<br>Option<br>Tax | Hotel/<br>Motel<br>Tax | Road<br>Use Tax | Bike<br>Licenses | Police<br>Forfeiture<br>& Grants | Housing<br>Assistance | TIF          | Employee<br>Benefit<br>Property<br>Tax | Police<br>& Fire |
|---|--------------------|------------------------|------------------------|-----------------|------------------|----------------------------------|-----------------------|--------------|--|------------------|
| <b>ASSETS</b>   |                    |                        |                        |                 |                  |                                  |                       |              |  |                  |
| Cash and cash equivalents   | \$ -               | \$ 2,013,642           | \$ 307,700             | \$ 1,781,349    | \$ 2,444         | \$ 31,166                        | \$ 109,952            | \$ 358,900   | \$ 886                                 | \$ 30,225        |
| Investments   | -                  | 6,362,233              | 972,210                | 5,628,322       | 7,582            | 98,796                           | 347,243               | 1,267,314    | 2,799                                  | 124,807          |
| Taxes receivable  | -                  | -                      | -                      | -               | -                | -                                | -                     | -            | 3,182                                  | -                |
| Accrued interest receivable   | -                  | -                      | -                      | -               | -                | -                                | -                     | 1,689        | -                                      | 166              |
| Accounts receivable, net  | -                  | 4,021                  | -                      | -               | -                | 543                              | -                     | -            | -                                      | -                |
| Intergovernmental receivable  | 59,813             | 864,604                | -                      | 702,908         | -                | 14,428                           | 16,212                | -            | -                                      | -                |
| Loans receivable  | -                  | -                      | -                      | -               | -                | -                                | -                     | -            | -                                      | -                |
| Due from other funds  | -                  | 43,428                 | 752,230                | 1,073,412       | -                | -                                | 3,727                 | -            | -                                      | -                |
| Inventories   | -                  | -                      | -                      | 51,894          | -                | -                                | -                     | -            | -                                      | -                |
| Prepaid items   | -                  | -                      | -                      | 38,369          | -                | -                                | -                     | -            | -                                      | -                |
| Succeeding year taxes receivable  | -                  | -                      | -                      | -               | -                | -                                | -                     | -            | 2,182,895                              | -                |
| Long-term loans receivable  | -                  | -                      | -                      | -               | -                | -                                | -                     | -            | -                                      | -                |
| Total assets  | \$ 59,813          | \$ 9,287,928           | \$ 2,032,140           | \$ 9,276,254    | \$ 10,026        | \$ 144,933                       | \$ 477,134            | \$ 1,627,903 | \$ 2,189,762                           | \$ 155,198       |
| <b>LIABILITIES</b>  |                    |                        |                        |                 |                  |                                  |                       |              |  |                  |
| Accounts payable  | 5,000              | 169,567                | 648,643                | 358,191         | -                | 3,225                            | 67                    | -            | -                                      | -                |
| Accrued payroll   | -                  | 4,136                  | -                      | 103,062         | -                | 470                              | 39                    | -            | -                                      | -                |
| Retainage payable   | -                  | 15,478                 | -                      | 43,901          | -                | -                                | -                     | -            | -                                      | -                |
| Customer deposits   | -                  | -                      | -                      | -               | -                | -                                | -                     | -            | -                                      | -                |
| Intergovernmental payable   | -                  | -                      | -                      | 763             | -                | 1,166                            | -                     | -            | -                                      | -                |
| Due to other funds  | 13,121             | 543,762                | 107,569                | 376,410         | -                | -                                | 51,066                | 69,371       | 6,867                                  | -                |
| Total liabilities   | 18,121             | 732,943                | 756,212                | 882,327         | -                | 4,861                            | 51,172                | 69,371       | 6,867                                  | -                |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  |                    |                        |                        |                 |                  |                                  |                       |              |  |                  |
| Unavailable revenue:  |                    |                        |                        |                 |                  |                                  |                       |              |  |                  |
| Property taxes  | -                  | -                      | -                      | -               | -                | -                                | -                     | -            | 2,182,895                              | -                |
| Grants  | -                  | -                      | -                      | -               | -                | 6,128                            | -                     | -            | -                                      | -                |
| Total deferred inflows of resource  | -                  | -                      | -                      | -               | -                | 6,128                            | -                     | -            | 2,182,895                              | -                |
| <b>FUND BALANCES (DEFICITS)</b>   |                    |                        |                        |                 |                  |                                  |                       |              |  |                  |
| Nonspendable  | -                  | -                      | -                      | 90,263          | -                | -                                | -                     | -            | -                                      | -                |
| Restricted  | 41,692             | 8,554,985              | 1,275,928              | 8,303,664       | -                | 133,944                          | -                     | 1,558,532    | -                                      | 155,198          |
| Committed   | -                  | -                      | -                      | -               | 10,026           | -                                | 425,962               | -            | -                                      | -                |
| Unassigned  | -                  | -                      | -                      | -               | -                | -                                | -                     | -            | -                                      | -                |
| Total fund balances (deficits)  | 41,692             | 8,554,985              | 1,275,928              | 8,393,927       | 10,026           | 133,944                          | 425,962               | 1,558,532    | -                                      | 155,198          |
| Total liabilities, deferred outflows of resources, and fund balances (deficits) | \$ 59,813          | \$ 9,287,928           | \$ 2,032,140           | \$ 9,276,254    | \$ 10,026        | \$ 144,933                       | \$ 477,134            | \$ 1,627,903 | \$ 2,189,762                           | \$ 155,198       |

**City of Ames**  
**Combining Balance Sheet (continued)**  
**Non-Major Special Revenue Funds**  
**June 30, 2022**

|   | <b>Parks &amp;<br/>Recreation<br/>Programs</b> | <b>Library<br/>Donations</b> | <b>Project<br/>Share</b> | <b>Public Art<br/>Donations</b> | <b>Police<br/>&amp; Fire<br/>Donations</b> | <b>CDBG</b>         | <b>Animal<br/>Shelter<br/>Donations</b> | <b>Developers'<br/>Projects</b> | <b>Economic<br/>Development<br/>&amp; Loans</b> | <b>Federal<br/>Relief<br/>Funds</b> | <b>Total<br/>Non-Major<br/>Special<br/>Revenue<br/>Funds</b> |
|---|--|------------------------------|--------------------------|---------------------------------|--|---------------------|---|---------------------------------|---|-------------------------------------|--|
| <b>ASSETS</b>   |  |                              |                          |                                 |  |                     |   |                                 |   |                                     |  |
| Cash and cash equivalents   | \$ 34,075                                      | \$ 95,060                    | \$ 3,497                 | \$ 32                           | \$ 1,203                                   | \$ 45,709           | \$ 48,993                               | \$ 228,807                      | \$ 131,570                                      | \$ 3,367,536                        | \$ 8,592,746   |
| Investments   | 120,258  | 344,094                      | 10,731                   | -                               | 3,849                                      | 144,636             | 171,580                                 | 726,679                         | 415,595   | 10,639,841                          | 27,388,569   |
| Taxes receivable  | -  | -                            | -                        | -                               | -  | -                   | -                                       | -                               | -   | -                                   | 3,182  |
| Accrued interest receivable   | 229  | 490                          | -                        | -                               | -  | -                   | 228                                     | 51                              | -   | -                                   | 2,853  |
| Accounts receivable, net  | -  | 100                          | 581                      | -                               | -  | -                   | 60                                      | -                               | -   | -                                   | 5,305  |
| Intergovernmental receivable  | 2,500  | 5,000                        | -                        | -                               | -  | 233,675             | -                                       | -                               | -   | 665,893                             | 2,565,033  |
| Loans receivable  | -  | -                            | -                        | -                               | -  | 886                 | -                                       | -                               | -   | -                                   | 886  |
| Due from other funds  | -  | 4,379                        | -                        | -                               | -  | 50,000              | -                                       | -                               | -   | -                                   | 1,927,176  |
| Inventories   | -  | -                            | -                        | -                               | -  | 909,459             | -                                       | -                               | -   | -                                   | 961,353  |
| Prepaid items   | -  | 8,261                        | -                        | -                               | -  | -                   | -                                       | -                               | -   | -                                   | 46,630   |
| Succeeding year taxes receivable  | -  | -                            | -                        | -                               | -  | -                   | -                                       | -                               | -   | -                                   | 2,182,895  |
| Long-term loans receivable  | -  | -                            | -                        | -                               | -  | 2,136               | -                                       | -                               | -   | -                                   | 2,136  |
| Total assets  | <u>\$ 157,062</u>                              | <u>\$ 457,384</u>            | <u>\$ 14,809</u>         | <u>\$ 32</u>                    | <u>\$ 5,052</u>                            | <u>\$ 1,386,501</u> | <u>\$ 220,861</u>                       | <u>\$ 955,537</u>               | <u>\$ 547,165</u>                               | <u>\$ 14,673,270</u>                | <u>43,678,764</u>  |
| <b>LIABILITIES</b>  |  |                              |                          |                                 |  |                     |   |                                 |   |                                     |  |
| Accounts payable  | -  | 11,114                       | -                        | -                               | -  | 72,094              | 2,291                                   | -                               | -   | -                                   | 1,270,192  |
| Accrued payroll   | -  | 3,164                        | -                        | -                               | -  | -                   | -                                       | -                               | -   | -                                   | 110,871  |
| Retainage payable   | -  | -                            | -                        | -                               | -  | -                   | -                                       | -                               | -   | -                                   | 59,379   |
| Customer deposits   | -  | -                            | -                        | -                               | -  | -                   | -                                       | 728,817                         | -   | -                                   | 728,817  |
| Intergovernmental payable   | -  | -                            | -                        | -                               | -  | -                   | 540                                     | -                               | -   | -                                   | 2,469  |
| Due to other funds  | 2,500  | 4,257                        | -                        | -                               | 988  | 395,236             | -                                       | -                               | -   | 197,161                             | 1,768,308  |
| Unearned revenue  | -  | -                            | -                        | -                               | -  | -                   | -                                       | -                               | -   | 4,007,378                           | 4,007,378  |
| Total liabilities   | <u>2,500</u>                                   | <u>18,535</u>                | <u>-</u>                 | <u>-</u>                        | <u>988</u>                                 | <u>467,330</u>      | <u>2,831</u>                            | <u>728,817</u>                  | <u>-</u>  | <u>4,204,539</u>                    | <u>7,947,414</u>   |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  |  |                              |                          |                                 |  |                     |   |                                 |   |                                     |  |
| Unavailable revenue:  |  |                              |                          |                                 |  |                     |   |                                 |   |                                     |  |
| Property taxes  | -  | -                            | -                        | -                               | -  | -                   | -                                       | -                               | -   | -                                   | 2,182,895  |
| Grants  | -  | -                            | -                        | -                               | -  | -                   | -                                       | -                               | -   | 611,541                             | 617,669  |
| Total deferred inflows of resource  | <u>-</u>                                       | <u>-</u>                     | <u>-</u>                 | <u>-</u>                        | <u>-</u>                                   | <u>-</u>            | <u>-</u>                                | <u>-</u>                        | <u>-</u>  | <u>611,541</u>                      | <u>2,800,564</u>   |
| <b>FUND BALANCES (DEFICITS)</b>   |  |                              |                          |                                 |  |                     |   |                                 |   |                                     |  |
| Nonspendable  | -  | 8,261                        | -                        | -                               | -  | 909,459             | -                                       | -                               | -   | -                                   | 1,007,983  |
| Restricted  | -  | 430,588                      | 4,820                    | -                               | 4,064                                      | 9,712               | 218,030                                 | 226,720                         | -   | 10,523,083                          | 31,440,960   |
| Committed   | 154,562  | -                            | 9,989                    | 32                              | -  | -                   | -                                       | -                               | 547,165   | -                                   | 1,147,736  |
| Unassigned  | -  | -                            | -                        | -                               | -  | -                   | -                                       | -                               | -   | (665,893)                           | (665,893)  |
| Total fund balances (deficits)  | <u>154,562</u>                                 | <u>438,849</u>               | <u>14,809</u>            | <u>32</u>                       | <u>4,064</u>                               | <u>919,171</u>      | <u>218,030</u>                          | <u>226,720</u>                  | <u>547,165</u>                                  | <u>9,857,190</u>                    | <u>32,930,786</u>  |
| Total liabilities, deferred outflows<br>of resources, and fund balances<br>(deficits) | <u>\$ 157,062</u>                              | <u>\$ 457,384</u>            | <u>\$ 14,809</u>         | <u>\$ 32</u>                    | <u>\$ 5,052</u>                            | <u>\$ 1,386,501</u> | <u>\$ 220,861</u>                       | <u>\$ 955,537</u>               | <u>\$ 547,165</u>                               | <u>\$ 14,673,270</u>                | <u>\$ 43,678,764</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, 2022**

|  | <b>Metro<br/>Coalition</b> | <b>Local<br/>Option<br/>Tax</b> | <b>Hotel/<br/>Motel<br/>Tax</b> | <b>Road<br/>Use Tax</b> | <b>Bike<br/>Licenses</b> | <b>Police<br/>Forfeiture<br/>&amp; Grants</b> | <b>Housing<br/>Assistance</b> | <b>TIF</b>   | <b>Employee<br/>Benefit<br/>Property Tax</b> | <b>Police<br/>&amp; Fire</b> |
|--|----------------------------|---------------------------------|---------------------------------|-------------------------|--------------------------|---|-------------------------------|--------------|--|------------------------------|
| <b>REVENUES</b>  |                            |                                 |                                 |                         |                          |   |                               |              |  |                              |
| Taxes  | \$ -                       | \$ 11,231,768                   | \$ 2,415,735                    | \$ -                    | \$ -                     | \$ -  | \$ -                          | \$ 1,989,682 | \$ 2,398,838                                 | \$ -                         |
| Intergovernmental  | 64,178                     | -                               | -                               | 8,776,925               | -                        | 86,445  | 27,533                        | -            | -  | -                            |
| Investment income  | -                          | -                               | -                               | -                       | -                        | -   | -                             | (20,751)     | -  | (5,075)                      |
| Miscellaneous  | -                          | -                               | -                               | -                       | -                        | 2,688   | -                             | -            | -  | -                            |
| Total revenues   | 64,178                     | 11,231,768                      | 2,415,735                       | 8,776,925               | -                        | 89,133  | 27,533                        | 1,968,931    | 2,398,838                                    | (5,075)                      |
| <b>EXPENDITURES</b>  |                            |                                 |                                 |                         |                          |   |                               |              |  |                              |
| Current:   |                            |                                 |                                 |                         |                          |   |                               |              |  |                              |
| General government   | 60,000                     | 195,239                         | 15,000                          | 164,794                 | -                        | -   | 47,273                        | -            | -  | -                            |
| Public safety  | -                          | -                               | -                               | -                       | -                        | 74,280  | -                             | -            | -  | -                            |
| Public works   | -                          | -                               | -                               | 6,469,748               | -                        | -   | -                             | -            | -  | -                            |
| Health and social services                                   | -                          | 1,610,753                       | -                               | -                       | -                        | -   | -                             | -            | -  | -                            |
| Culture and recreation                                       | -                          | 280,970                         | 51,858                          | -                       | -                        | -   | -                             | -            | -  | -                            |
| Community and economic<br>development                        | -                          | -                               | 1,933,452                       | 28,032                  | -                        | -   | -                             | 686,715      | -  | -                            |
| Capital outlay   | -                          | 1,066,095                       | -                               | 2,302,059               | -                        | -   | -                             | -            | -  | -                            |
| Total expenditures   | 60,000                     | 3,153,057                       | 2,000,310                       | 8,964,633               | -                        | 74,280  | 47,273                        | 686,715      | -  | -                            |
| Excess (deficiency) of revenues<br>over (under) expenditures | 4,178                      | 8,078,711                       | 415,425                         | (187,708)               | -                        | 14,853  | (19,740)                      | 1,282,216    | 2,398,838                                    | (5,075)                      |
| <b>OTHER FINANCING SOURCES<br/>(USES)</b>                    |                            |                                 |                                 |                         |                          |   |                               |              |  |                              |
| Transfers in   | -                          | 138,180                         | -                               | -                       | -                        | -   | -                             | -            | -  | -                            |
| Transfers out  | -                          | (7,082,126)                     | (345,450)                       | (25,000)                | -                        | -   | -                             | (331,425)    | (2,398,838)                                  | (95,000)                     |
| Total other financing sources<br>(uses)                      | -                          | (6,943,946)                     | (345,450)                       | (25,000)                | -                        | -   | -                             | (331,425)    | (2,398,838)                                  | (95,000)                     |
| Net change in fund balances                                  | 4,178                      | 1,134,765                       | 69,975                          | (212,708)               | -                        | 14,853  | (19,740)                      | 950,791      | -  | (100,075)                    |
| Fund balances, beginning                                     | 37,514                     | 7,420,220                       | 1,205,953                       | 8,606,635               | 10,026                   | 119,091                                       | 445,702                       | 607,741      | -  | 255,273                      |
| Fund balances, ending  | \$ 41,692                  | \$ 8,554,985                    | \$ 1,275,928                    | \$ 8,393,927            | \$ 10,026                | \$ 133,944                                    | \$ 425,962                    | \$ 1,558,532 | \$ -   | \$ 155,198                   |

**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, 2022**

|  | <b>Parks &amp;<br/>Recreation<br/>Programs</b> | <b>Library<br/>Donations</b> | <b>Project<br/>Share</b> | <b>Public Art<br/>Donations</b> | <b>Police<br/>&amp; Fire<br/>Donations</b> | <b>CDBG</b> | <b>Animal<br/>Shelter<br/>Donations</b> | <b>Developers'<br/>Projects</b> | <b>Economic<br/>Development<br/>&amp; Loans</b> | <b>Federal<br/>Relief<br/>Funds</b> | <b>Total<br/>Non-Major<br/>Special<br/>Revenue<br/>Funds</b> |
|--|--|------------------------------|--------------------------|---------------------------------|--|-------------|---|---------------------------------|---|-------------------------------------|--|
| <b>REVENUES</b>  |  |                              |                          |                                 |  |             |   |                                 |   |                                     |  |
| Taxes  | \$ -   | \$ -                         | \$ -                     | \$ -                            | \$ -                                       | \$ -        | \$ -                                    | \$ -                            | \$ -  | \$ -                                | \$ 18,036,023  |
| Intergovernmental  | 41,776   | 200,993                      | 23,915                   | 32                              | 9,296                                      | 457,769     | 71,702                                  | -                               | 28,031  | 11,607,300                          | 21,395,895   |
| Investment income  | (4,104)  | (9,354)                      | -                        | -                               | -  | -           | (4,094)                                 | (930)                           | -   | -                                   | (44,308)   |
| Miscellaneous  | 3,050  | 139                          | -                        | -                               | -  | 50,501      | -                                       | -                               | -   | -                                   | 56,378   |
| Total revenues   | 40,722   | 191,778                      | 23,915                   | 32                              | 9,296                                      | 508,270     | 67,608                                  | (930)                           | 28,031  | 11,607,300                          | 39,443,988   |
| <b>EXPENDITURES</b>  |  |                              |                          |                                 |  |             |   |                                 |   |                                     |  |
| Current:   |  |                              |                          |                                 |  |             |   |                                 |   |                                     |  |
| General government   | -  | -                            | -                        | -                               | -  | -           | -                                       | -                               | -   | -                                   | 482,306  |
| Public safety  | -  | -                            | -                        | -                               | -  | -           | 61,248                                  | -                               | -   | -                                   | 135,528  |
| Public works   | -  | -                            | -                        | -                               | 9,276                                      | -           | -                                       | -                               | -   | -                                   | 6,479,024  |
| Health and social services                                   | -  | -                            | 23,961                   | -                               | -  | -           | -                                       | -                               | -   | -                                   | 1,634,714  |
| Culture and recreation                                       | 30,951   | 240,358                      | -                        | -                               | -  | -           | -                                       | -                               | -   | -                                   | 604,137  |
| Community and economic<br>development                        | -  | -                            | -                        | -                               | -  | 402,151     | -                                       | -                               | 28,032  | 35,558                              | 3,113,940  |
| Capital outlay   | 69,452   | -                            | -                        | -                               | -  | -           | -                                       | -                               | -   | 250,245                             | 3,687,851  |
| Total expenditures   | 100,403  | 240,358                      | 23,961                   | -                               | 9,276                                      | 402,151     | 61,248                                  | -                               | 28,032  | 285,803                             | 16,137,500   |
| Excess (deficiency) of revenues<br>over (under) expenditures | (59,681)                                       | (48,580)                     | (46)                     | 32                              | 20   | 106,119     | 6,360                                   | (930)                           | (1)   | 11,321,497                          | 23,306,488   |
| <b>OTHER FINANCING SOURCES<br/>(USES)</b>                    |  |                              |                          |                                 |  |             |   |                                 |   |                                     |  |
| Transfers in   | -  | -                            | -                        | -                               | -  | -           | -                                       | -                               | -   | -                                   | 138,180  |
| Transfers out  | -  | -                            | -                        | -                               | -  | -           | -                                       | -                               | -   | -                                   | (10,277,839)   |
| Total other financing sources<br>(uses)                      | -  | -                            | -                        | -                               | -  | -           | -                                       | -                               | -   | -                                   | (10,139,659)   |
| Net change in fund balances                                  | (59,681)                                       | (48,580)                     | (46)                     | 32                              | 20   | 106,119     | 6,360                                   | (930)                           | (1)   | 11,321,497                          | 13,166,829   |
| Fund balances, beginning                                     | 214,243  | 487,429                      | 14,855                   | -                               | 4,044                                      | 813,052     | 211,670                                 | 227,650                         | 547,166   | (1,464,307)                         | 19,763,957   |
| Fund balances, ending  | \$ 154,562                                     | \$ 438,849                   | \$ 14,809                | \$ 32                           | \$ 4,064                                   | \$ 919,171  | \$ 218,030                              | \$ 226,720                      | \$ 547,165                                      | \$ 9,857,190                        | \$ 32,930,786  |

**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.

Airport Fund – to account for the operations of the Ames Municipal Airport.

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, 2022**

|                                       | <b>Airport</b> | <b>Parking</b> | <b>Transit</b> | <b>Storm<br/>Water<br/>Utility</b> | <b>Ames / ISU<br/>Ice<br/>Arena</b> | <b>Homewood<br/>Golf<br/>Course</b> | <b>Resource<br/>Recovery</b> | <b>Total<br/>Non-Major<br/>Enterprise<br/>Funds</b> |
|---------------------------------------|----------------|----------------|----------------|------------------------------------|-------------------------------------|-------------------------------------|------------------------------|---|
| <b>ASSETS</b>                         |                |                |                |                                    |                                     |                                     |                              |   |
| Current assets:                       |                |                |                |                                    |                                     |                                     |                              |   |
| Cash and cash equivalents             | \$ 847,093     | \$ 311,568     | \$ 3,253,827   | \$ 1,309,947                       | \$ 76,048                           | \$ 73,611                           | \$ 212,252                   | \$ 6,084,346  |
| Investments                           | 2,334,121      | 1,050,944      | 11,511,390     | 4,561,048                          | 251,363                             | 255,329                             | 729,012                      | 20,693,207  |
| Accrued interest receivable           | 2,830          | 1,408          | 15,468         | 6,193                              | 340                                 | 334                                 | 848                          | 27,421  |
| Accounts receivable, net              | 8,447          | 8,037          | 54,623         | 212,586                            | 22,920                              | 1,913                               | 300,430                      | 608,956   |
| Leases receivable - current           | 179            | -              | -              | -                                  | -                                   | -                                   | -                            | 179   |
| Due from other funds                  | 74,533         | 439            | 5,221          | 43,125                             | 178                                 | 1,182                               | 613,188                      | 737,866   |
| Intergovernmental receivable          | 681,140        | 4,146          | 4,258,682      | 470,043                            | 47,741                              | -                                   | 462,775                      | 5,924,527   |
| Inventories                           | -              | 7,225          | 354,685        | -                                  | 1,523                               | 1,805                               | -                            | 365,238   |
| Prepaid items                         | -              | -              | 18,250         | -                                  | -                                   | -                                   | -                            | 18,250  |
| Total current assets                  | 3,948,343      | 1,383,767      | 19,472,146     | 6,602,942                          | 400,113                             | 334,174                             | 2,318,505                    | 34,459,990  |
| Noncurrent assets:                    |                |                |                |                                    |                                     |                                     |                              |   |
| Net pension asset                     | 22,028         | -              | -              | 47,574                             | -                                   | 1,496                               | -                            | 71,098  |
| Capital assets:                       |                |                |                |                                    |                                     |                                     |                              |   |
| Land                                  | 1,384,118      | 910,547        | 41,500         | 733,383                            | -                                   | 193,250                             | 531,517                      | 3,794,315   |
| Land improvements                     | 11,900,325     | 623,538        | 1,892,550      | 4,742,828                          | 71,230                              | 127,581                             | 172,379                      | 19,530,431  |
| Buildings                             | 4,988,235      | -              | 26,658,363     | -                                  | 1,870,329                           | 21,053                              | 11,342,409                   | 44,880,389  |
| Equipment                             | -              | 56,130         | 35,901,288     | 8,390                              | 316,275                             | 5,700                               | 7,978,721                    | 44,266,504  |
| Construction in progress              | 348,495        | -              | 21,706         | 6,315,061                          | -                                   | -                                   | -                            | 6,685,262   |
| Less accumulated depreciation         | (9,325,871)    | (645,366)      | (35,361,903)   | (599,053)                          | (1,595,936)                         | (142,698)                           | (15,758,382)                 | (63,429,209)  |
| Leased assets                         | -              | -              | -              | -                                  | -                                   | 32,932                              | -                            | 32,932  |
| Leases receivable - long term         | 37,276         | -              | -              | -                                  | -                                   | -                                   | -                            | 37,276  |
| Total noncurrent assets               | 9,354,606      | 944,849        | 29,153,504     | 11,248,183                         | 661,898                             | 239,314                             | 4,266,644                    | 55,868,998  |
| Total assets                          | 13,302,949     | 2,328,616      | 48,625,650     | 17,851,125                         | 1,062,011                           | 573,488                             | 6,585,149                    | 90,328,988  |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b> |                |                |                |                                    |                                     |                                     |                              |   |
| Deferred outflows related to OPEB     | 214            | 9,785          | 105,036        | 7,130                              | 2,668                               | 2,042                               | 30,096                       | 156,971   |
| Deferred outflows related to pensions | -              | 60,060         | 975,935        | 18,602                             | 30,781                              | 10,626                              | 162,535                      | 1,258,539   |
| Total deferred outflows of resources  | 214            | 69,845         | 1,080,971      | 25,732                             | 33,449                              | 12,668                              | 192,631                      | 1,415,510   |

**City of Ames**  
**Combining Statement of Net Position (continued)**  
**Non-Major Enterprise Funds**  
**June 30, 2022**

|  | <b>Airport</b>       | <b>Parking</b>      | <b>Transit</b>       | <b>Storm<br/>Water<br/>Utility</b> | <b>Ames / ISU<br/>Ice<br/>Arena</b> | <b>Home wood<br/>Golf<br/>Course</b> | <b>Resource<br/>Recovery</b> | <b>Total<br/>Non-Major<br/>Enterprise<br/>Funds</b> |
|--|----------------------|---------------------|----------------------|------------------------------------|-------------------------------------|--------------------------------------|------------------------------|---|
| <b>LIABILITIES</b>                     |                      |                     |                      |                                    |                                     |                                      |                              |   |
| Current liabilities:                   |                      |                     |                      |                                    |                                     |                                      |                              |   |
| Accounts payable                       | 202,253              | 3,814               | 236,202              | 346,974                            | 11,089                              | 7,755                                | 160,675                      | 968,762   |
| Accrued payroll                        | 220                  | 7,211               | 194,511              | 4,795                              | 1,799                               | 4,351                                | 3,323                        | 216,210   |
| Accrued compensated absences           | 277                  | 2,574               | 24,774               | 2,097                              | 459                                 | 408                                  | 4,564                        | 35,153  |
| Due to other funds                     | 201,411              | 13,870              | 42,962               | 66,048                             | 5,869                               | 5,648                                | 570,990                      | 906,798   |
| Retainage payable                      | 19,721               | -                   | 25,019               | 194,341                            | -                                   | -                                    | -                            | 239,081   |
| Accrued interest                       | 1,760                | -                   | -                    | -                                  | -                                   | -                                    | 1,408                        | 3,168   |
| Lease liabilities                      | -                    | -                   | -                    | -                                  | -                                   | 10,741                               | -                            | 10,741  |
| Intergovernmental payable              | 1,766                | 729                 | 10,151               | 996                                | 155                                 | 975                                  | 7,742                        | 22,514  |
| Accrued landfill post-closure costs    | -                    | -                   | -                    | -                                  | -                                   | -                                    | 15,246                       | 15,246  |
| Bonds payable, net                     | 41,744               | -                   | -                    | -                                  | -                                   | -                                    | 149,344                      | 191,088   |
| Unearned revenue                       | -                    | 8,471               | -                    | -                                  | -                                   | -                                    | -                            | 8,471   |
| Total current liabilities              | <u>469,152</u>       | <u>36,669</u>       | <u>533,619</u>       | <u>615,251</u>                     | <u>19,371</u>                       | <u>29,878</u>                        | <u>913,292</u>               | <u>2,617,232</u>                                    |
| Noncurrent liabilities:                |                      |                     |                      |                                    |                                     |                                      |                              |   |
| Accrued compensated absences           | 6,111                | 45,567              | 453,722              | 28,701                             | 6,578                               | 4,955                                | 66,348                       | 611,982   |
| Accrued other post-employment benefits | 242                  | 29,060              | 271,585              | 20,673                             | 6,879                               | 5,392                                | 91,696                       | 425,527   |
| Net pension liability                  | -                    | 83,522              | 737,036              | -                                  | 34,697                              | -                                    | 119,785                      | 975,040   |
| Accrued landfill post-closure costs    | -                    | -                   | -                    | -                                  | -                                   | -                                    | 67,330                       | 67,330  |
| Lease liabilities                      | -                    | -                   | -                    | -                                  | -                                   | 17,090                               | -                            | 17,090  |
| Bonds payable, net                     | 650,931              | -                   | -                    | -                                  | -                                   | -                                    | 273,202                      | 924,133   |
| Total noncurrent liabilities           | <u>657,284</u>       | <u>158,149</u>      | <u>1,462,343</u>     | <u>49,374</u>                      | <u>48,154</u>                       | <u>27,437</u>                        | <u>618,361</u>               | <u>3,021,102</u>                                    |
| Total liabilities                      | <u>1,126,436</u>     | <u>194,818</u>      | <u>1,995,962</u>     | <u>664,625</u>                     | <u>67,525</u>                       | <u>57,315</u>                        | <u>1,531,653</u>             | <u>5,638,334</u>                                    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>   |                      |                     |                      |                                    |                                     |                                      |                              |   |
| Deferred charge on refunding           | -                    | -                   | -                    | -                                  | -                                   | -                                    | 14,604                       | 14,604  |
| Deferred inflow related to leases      | 39,866               | -                   | -                    | -                                  | -                                   | -                                    | -                            | 39,866  |
| Deferred inflows related to OPEB       | 41                   | 4,084               | 38,771               | 2,898                              | 989                                 | 754                                  | 12,816                       | 60,353  |
| Deferred inflows related to pensions   | 18,066               | 233,370             | 3,772,216            | 175,747                            | 98,921                              | 57,543                               | 661,432                      | 5,017,295   |
|  | <u>57,973</u>        | <u>237,454</u>      | <u>3,810,987</u>     | <u>178,645</u>                     | <u>99,910</u>                       | <u>58,297</u>                        | <u>688,852</u>               | <u>5,132,118</u>                                    |
| <b>NET POSITION</b>                    |                      |                     |                      |                                    |                                     |                                      |                              |   |
| Net investment in capital assets       | 8,602,627            | 944,849             | 29,153,504           | 11,200,609                         | 661,898                             | 237,818                              | 3,844,098                    | 54,645,403  |
| Unrestricted                           | <u>3,516,127</u>     | <u>1,021,340</u>    | <u>14,746,168</u>    | <u>5,832,978</u>                   | <u>266,127</u>                      | <u>232,726</u>                       | <u>713,177</u>               | <u>26,328,643</u>                                   |
| Total net position                     | <u>\$ 12,118,754</u> | <u>\$ 1,966,189</u> | <u>\$ 43,899,672</u> | <u>\$ 17,033,587</u>               | <u>\$ 928,025</u>                   | <u>\$ 470,544</u>                    | <u>\$ 4,557,275</u>          | <u>\$ 80,974,046</u>                                |

**City of Ames**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Non-Major Enterprise Funds**  
**For the Year Ended June 30, 2022**

|  | <b>Airport</b> | <b>Parking</b> | <b>Transit</b> | <b>Storm<br/>Water<br/>Utility</b> | <b>Ames / ISU<br/>Ice<br/>Arena</b> | <b>Homewood<br/>Golf<br/>Course</b> | <b>Resource<br/>Recovery</b> | <b>Total<br/>Non-Major<br/>Enterprise<br/>Funds</b> |
|--|----------------|----------------|----------------|------------------------------------|-------------------------------------|-------------------------------------|------------------------------|---|
| Operating revenues:                                      |                |                |                |                                    |                                     |                                     |                              |   |
| Charges for services                                     | \$ 244,473     | \$ 952,298     | \$ 7,062,349   | \$ 1,890,675                       | \$ 529,289                          | \$ 348,492                          | \$ 4,299,454                 | \$ 15,327,030                                       |
| Operating expenses:                                      |                |                |                |                                    |                                     |                                     |                              |   |
| Cost of goods and services                               | 461,816        | 696,358        | 8,584,158      | 752,905                            | 446,769                             | 260,973                             | 3,779,056                    | 14,982,035  |
| Administration   | -              | 71,025         | 2,258,802      | 11,075                             | -                                   | -                                   | 245,784                      | 2,586,686   |
| Depreciation   | 515,695        | 5,235          | 2,871,178      | 89,426                             | 98,643                              | 8,220                               | 543,326                      | 4,131,723   |
| Total operating expenses                                 | 977,511        | 772,618        | 13,714,138     | 853,406                            | 545,412                             | 269,193                             | 4,568,166                    | 21,700,444  |
| Operating income (loss)                                  | (733,038)      | 179,680        | (6,651,789)    | 1,037,269                          | (16,123)                            | 79,299                              | (268,712)                    | (6,373,414)   |
| Non-operating revenues (expenses):                       |                |                |                |                                    |                                     |                                     |                              |   |
| Intergovernmental  | 589,321        | -              | 7,963,443      | 3,122,601                          | -                                   | -                                   | -                            | 11,675,365  |
| Reimbursements   | -              | -              | 33,676         | -                                  | -                                   | -                                   | -                            | 33,676  |
| Investment income (loss)                                 | 3,944          | (10,590)       | (242,103)      | (98,288)                           | (3,634)                             | (5,192)                             | (3,645)                      | (359,508)   |
| Interest revenue (expense)                               | (21,277)       | -              | -              | -                                  | -                                   | (335)                               | (4,625)                      | (26,237)  |
| Miscellaneous  | 2,839,027      | 305            | 41,583         | 60                                 | 2,675                               | 2,241                               | 4,916                        | 2,890,807   |
| Total non-operating revenues                             | 3,411,015      | (10,285)       | 7,796,599      | 3,024,373                          | (959)                               | (3,286)                             | (3,354)                      | 14,214,103  |
| Income (loss) before capital contributions and transfers | 2,677,977      | 169,395        | 1,144,810      | 4,061,642                          | (17,082)                            | 76,013                              | (272,066)                    | 7,840,689   |
| Capital contributions                                    | -              | -              | 3,694,231      | 1,372,053                          | 20,000                              | -                                   | -                            | 5,086,284   |
| Transfers in   | 160,712        | 505,489        | 2,032,842      | -                                  | 20,000                              | -                                   | 592,484                      | 3,311,527   |
| Change in net position                                   | 2,838,689      | 674,884        | 6,871,883      | 5,433,695                          | 22,918                              | 76,013                              | 320,418                      | 16,238,500  |
| Net position, beginning, as restated                     | 9,280,065      | 1,291,305      | 37,027,789     | 11,599,892                         | 905,107                             | 394,531                             | 4,236,857                    | 64,735,546  |
| Net position, ending                                     | \$ 12,118,754  | \$ 1,966,189   | \$ 43,899,672  | \$ 17,033,587                      | \$ 928,025                          | \$ 470,544                          | \$ 4,557,275                 | \$ 80,974,046                                       |

**City of Ames**  
**Combining Statement of Cash Flows**  
**Non-Major Enterprise Funds**  
**For the year Ended June 30, 2022**

|  | Airport     | Parking      | Transit      | Storm<br>Water<br>Utility | Ames / ISU<br>Ice<br>Arena | Homewood<br>Golf<br>Course | Resource<br>Recovery | Total<br>Non-Major<br>Enterprise<br>Funds |
|--|-------------|--------------|--------------|---------------------------|----------------------------|----------------------------|----------------------|---|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                              |             |              |              |                           |                            |                            |                      |   |
| Receipts from customers  | \$ 20,813   | \$ 1,561,270 | \$ 4,562,055 | \$ 2,050,992              | \$ 532,974                 | \$ 346,795                 | \$ 4,566,004         | \$ 13,640,903                             |
| Payments to suppliers  | (135,394)   | (120,942)    | (2,454,497)  | (194,415)                 | (219,035)                  | (68,943)                   | (1,896,856)          | (5,090,082)                               |
| Payments to employees  | (2,588)     | (519,554)    | (8,461,532)  | (434,478)                 | (217,347)                  | (158,462)                  | (1,521,976)          | (11,315,937)                              |
| Receipts (payments) to other funds for services provided                 | 143,899     | (172,263)    | (604,902)    | (509,303)                 | (38,751)                   | (41,612)                   | (628,822)            | (1,851,754)                               |
| Net cash provided by (used for) operating activities                     | 26,730      | 748,511      | (6,958,876)  | 912,796                   | 57,841                     | 77,778                     | 518,350              | (4,616,870)                               |
| <b>CASH FLOW FROM NON-CAPITAL FINANCING ACTIVITIES</b>                   |             |              |              |                           |                            |                            |                      |   |
| Operating grants   | 589,321     | -            | 7,963,443    | 3,122,601                 | -                          | -                          | -                    | 11,675,365                                |
| Reimbursements   | -           | -            | 33,676       | -                         | -                          | -                          | -                    | 33,676                                    |
| Interest revenue   | 1,857       | -            | -            | -                         | -                          | -                          | -                    | 1,857                                     |
| Miscellaneous income   | 2,839,027   | 305          | 41,583       | 60                        | 2,675                      | 2,241                      | 4,916                | 2,890,807                                 |
| Transfers in   | 160,712     | 505,489      | 2,032,842    | -                         | 20,000                     | -                          | 592,484              | 3,311,527                                 |
| Net cash provided by non-capital financing activities                    | 3,590,917   | 505,794      | 10,071,544   | 3,122,661                 | 22,675                     | 2,241                      | 597,400              | 17,913,232                                |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>          |             |              |              |                           |                            |                            |                      |   |
| Acquisition and construction of capital assets                           | (374,428)   | -            | (4,515,653)  | (4,214,558)               | -                          | (5,101)                    | -                    | (9,109,740)                               |
| Proceeds from the issuance of bonds                                      | -           | -            | -            | -                         | -                          | -                          | 474,467              | 474,467                                   |
| Principal paid on capital debt   | (40,000)    | -            | -            | -                         | -                          | -                          | (619,228)            | (659,228)                                 |
| Interest paid on capital debt  | (23,119)    | -            | -            | -                         | -                          | -                          | (25,324)             | (48,443)                                  |
| Interest paid on leases  | -           | -            | -            | -                         | -                          | (335)                      | -                    | (335)                                     |
| Capital contributions  | -           | -            | 3,694,231    | -                         | 20,000                     | -                          | -                    | 3,714,231                                 |
| Net cash provided by (used for) capital and related financing activities | (437,547)   | -            | (821,422)    | (4,214,558)               | 20,000                     | (5,436)                    | (170,085)            | (5,629,048)                               |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                              |             |              |              |                           |                            |                            |                      |   |
| Purchase of investments  | (3,371,546) | (1,420,381)  | (6,002,013)  | (1,468,259)               | (173,258)                  | (153,075)                  | (1,053,029)          | (13,641,561)                              |
| Proceeds from sale of investments  | 1,037,425   | 437,051      | 1,846,820    | 451,783                   | 53,312                     | 47,102                     | 324,017              | 4,197,510                                 |
| Interest on investments  | 1,114       | (11,489)     | (208,772)    | (81,010)                  | (3,134)                    | (4,530)                    | (4,493)              | (312,314)                                 |
| Net cash provided by (used for) investing activities                     | (2,333,007) | (994,819)    | (4,363,965)  | (1,097,486)               | (123,080)                  | (110,503)                  | (733,505)            | (9,756,365)                               |
| Net increase (decrease) in cash and cash equivalents                     | 847,093     | 259,486      | (2,072,719)  | (1,276,587)               | (22,564)                   | (35,920)                   | 212,160              | (2,089,051)                               |
| Cash and cash equivalents, beginning                                     | -           | 52,082       | 5,326,546    | 2,586,534                 | 98,612                     | 109,531                    | 92                   | 8,173,397                                 |
| Cash and cash equivalents, ending  | \$ 847,093  | \$ 311,568   | \$ 3,253,827 | \$ 1,309,947              | \$ 76,048                  | \$ 73,611                  | \$ 212,252           | \$ 6,084,346                              |

**City of Ames**  
**Combining Statement of Cash Flows (continued)**  
**Non-Major Enterprise Funds**  
**For the Year Ended June 30, 2022**

|   | <b>Airport</b> | <b>Parking</b> | <b>Transit</b> | <b>Storm<br/>Water<br/>Utility</b> | <b>Ames / ISU<br/>Ice<br/>Arena</b> | <b>Homewood<br/>Golf<br/>Course</b> | <b>Resource<br/>Recovery</b> | <b>Total<br/>Non-Major<br/>Enterprise<br/>Funds</b> |
|---|----------------|----------------|----------------|------------------------------------|-------------------------------------|-------------------------------------|------------------------------|---|
| <b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b> |                |                |                |                                    |                                     |                                     |                              |   |
| Operating income (loss)   | \$ (733,038)   | \$ 179,680     | \$ (6,651,789) | \$ 1,037,269                       | \$ (16,123)                         | \$ 79,299                           | \$ (268,712)                 | \$ (6,373,414)                                      |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities: |                |                |                |                                    |                                     |                                     |                              |   |
| Depreciation expense  | 515,695        | 5,235          | 2,871,178      | 89,426                             | 98,643                              | 8,220                               | 543,326                      | 4,131,723   |
| Change in accounts receivable   | (8,447)        | 3,244          | (6,887)        | (13,516)                           | 7,016                               | (805)                               | 18,862                       | (533)   |
| Change in leases receivable   | (37,455)       | -              | -              | -                                  | -                                   | -                                   | -                            | (37,455)  |
| Change in due from other funds  | (74,533)       | 608,574        | 28,368         | 366,896                            | (178)                               | (892)                               | 267,614                      | 1,195,849   |
| Change in intergovernmental receivable  | (103,224)      | (2,696)        | (2,521,775)    | (193,063)                          | (3,153)                             | -                                   | (19,926)                     | (2,843,837)   |
| Change in inventories   | -              | 2,280          | 1,130          | -                                  | 491                                 | (50)                                | -                            | 3,851   |
| Change in prepaid items   | -              | -              | 10,307         | -                                  | -                                   | -                                   | -                            | 10,307  |
| Change in deferred outflows of resources  | (214)          | 27,397         | 425,912        | 16,271                             | 4,632                               | 6,150                               | 55,438                       | 535,586   |
| Change in accounts payable  | 202,253        | 2,121          | 155,006        | (136,879)                          | (10,003)                            | 3,215                               | 64,374                       | 280,087   |
| Change in accrued payroll   | 220            | 78             | 14,612         | 1,328                              | 265                                 | (291)                               | 391                          | 16,603  |
| Change in accrued compensated absences  | 6,388          | 4,267          | 12,007         | 2,935                              | 2,064                               | 993                                 | 8,622                        | 37,276  |
| Change in due to other funds  | 201,411        | (170)          | 15,369         | (374,510)                          | 3,151                               | 1,731                               | 125,852                      | (27,166)  |
| Changes in retainage payable  | 19,721         | -              | (8,512)        | 173,684                            | -                                   | -                                   | -                            | 184,893   |
| Changes in intergovernmental payable  | 1,766          | 62             | 6,076          | 11                                 | (2,659)                             | (77)                                | (65,802)                     | (60,623)  |
| Changes accrued landfill post-closure costs   | -              | -              | -              | -                                  | -                                   | -                                   | (4,898)                      | (4,898)   |
| Changes in unearned revenue   | -              | (150)          | -              | -                                  | -                                   | -                                   | -                            | (150)   |
| Changes post-employment benefits  | 242            | 3,146          | 51,597         | 2,512                              | 1,319                               | 954                                 | 8,650                        | 68,420  |
| Changes in pension liability  | (22,028)       | (308,196)      | (4,996,481)    | (230,740)                          | (122,584)                           | (76,929)                            | (855,209)                    | (6,612,167)   |
| Changes in deferred inflows of resources  | 57,973         | 223,639        | 3,635,006      | 171,172                            | 94,960                              | 56,260                              | 639,768                      | 4,878,778   |
| Total adjustments   | 759,768        | 568,831        | (307,087)      | (124,473)                          | 73,964                              | (1,521)                             | 787,062                      | 1,756,544   |
| Net cash provided by (used for) operating activities  | \$ 26,730      | \$ 748,511     | \$ (6,958,876) | \$ 912,796                         | \$ 57,841                           | \$ 77,778                           | \$ 518,350                   | \$ (4,616,870)                                      |
| <b>Schedule of non-cash capital and related financing activities:</b>                                     |                |                |                |                                    |                                     |                                     |                              |   |
| Capital asset contributions   | \$ -           | \$ -           | \$ -           | \$ 1,372,053                       | \$ -                                | \$ -                                | \$ -                         | \$ 1,372,053  |



**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 and messenger services.

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, 2022**

|  | <b>Fleet<br/>Services</b> | <b>Information<br/>Technology</b> | <b>Printing<br/>Services</b> | <b>Risk<br/>Management</b> | <b>Health<br/>Insurance</b> | <b>Total<br/>Internal<br/>Service<br/>Funds</b> |
|--|---------------------------|-----------------------------------|------------------------------|----------------------------|-----------------------------|---|
| <b>ASSETS</b>                          |                           |                                   |                              |                            |                             |   |
| Current assets:                        |                           |                                   |                              |                            |                             |   |
| Cash and cash equivalents              | \$ 2,643,911              | \$ 762,500                        | \$ -                         | \$ 847,926                 | \$ 1,678,218                | \$ 5,932,555                                    |
| Investments                            | 9,305,225                 | 2,660,952                         | -                            | 2,887,587                  | 5,955,152                   | 20,808,916                                      |
| Accrued interest receivable            | 12,347                    | 3,681                             | -                            | 3,853                      | 7,623                       | 27,504  |
| Accounts receivable, net               | 90,943                    | -                                 | 36                           | 13,989                     | 59,134                      | 164,102   |
| Due from other funds                   | 749,126                   | 70,742                            | 33,539                       | 107                        | 131                         | 853,645   |
| Intergovernmental receivable           | -                         | 29,369                            | 1,424                        | -                          | -                           | 30,793  |
| Inventories                            | 96,837                    | 13,575                            | 17,546                       | -                          | -                           | 127,958   |
| Prepaid items                          | -                         | 35,337                            | -                            | -                          | -                           | 35,337  |
| Total current assets                   | 12,898,389                | 3,576,156                         | 52,545                       | 3,753,462                  | 7,700,258                   | 27,980,810                                      |
| Noncurrent assets:                     |                           |                                   |                              |                            |                             |   |
| Net pension asset                      | -                         | -                                 | 40,606                       | 7,711                      | -                           | 48,317  |
| Capital assets:                        |                           |                                   |                              |                            |                             |   |
| Land improvements                      | -                         | 192,433                           | -                            | -                          | -                           | 192,433   |
| Buildings                              | 1,131,640                 | -                                 | -                            | -                          | -                           | 1,131,640                                       |
| Equipment                              | 18,489,414                | 2,953,159                         | -                            | -                          | -                           | 21,442,573                                      |
| Construction in progress               | -                         | -                                 | -                            | -                          | -                           | -   |
| Less accumulated depreciation          | (10,120,151)              | (2,595,059)                       | -                            | -                          | -                           | (12,715,210)                                    |
| Total noncurrent assets                | 9,500,903                 | 550,533                           | 40,606                       | 7,711                      | -                           | 10,099,753                                      |
| Total assets                           | 22,399,292                | 4,126,689                         | 93,151                       | 3,761,173                  | 7,700,258                   | 38,080,563                                      |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>  |                           |                                   |                              |                            |                             |   |
| Deferred outflows related to OPEB      | 21,344                    | 19,075                            | 863                          | 1,449                      | 2,510                       | 45,241  |
| Deferred outflows related to pensions  | 95,401                    | 68,336                            | -                            | 15,732                     | 16,367                      | 195,836   |
| Total deferred outflows of resources   | 116,745                   | 87,411                            | 863                          | 17,181                     | 18,877                      | 241,077   |
| <b>LIABILITIES</b>                     |                           |                                   |                              |                            |                             |   |
| Current liabilities:                   |                           |                                   |                              |                            |                             |   |
| Accounts payable                       | 112,219                   | 46,652                            | 2,694                        | 60,970                     | 95,595                      | 318,130   |
| Accrued payroll                        | 16,991                    | 269                               | -                            | -                          | -                           | 17,260  |
| Accrued compensated absences           | 2,968                     | 3,123                             | 856                          | 520                        | 108                         | 7,575   |
| Due to other funds                     | 69,406                    | 5,690                             | 49,850                       | 573                        | 5,233                       | 130,752   |
| Retainage payable                      | -                         | -                                 | -                            | -                          | -                           | -   |
| Claims payable                         | -                         | -                                 | -                            | 1,448,395                  | 568,855                     | 2,017,250                                       |
| Intergovernmental payable              | 84,861                    | 410                               | -                            | -                          | -                           | 85,271  |
| Unearned revenue                       | -                         | -                                 | -                            | -                          | -                           | -   |
| Total current liabilities              | 286,445                   | 56,144                            | 53,400                       | 1,510,458                  | 669,791                     | 2,576,238                                       |
| Noncurrent liabilities:                |                           |                                   |                              |                            |                             |   |
| Accrued compensated absences           | 44,962                    | 67,194                            | 11,498                       | 5,724                      | 1,207                       | 130,585   |
| Accrued other post-employment benefits | 67,151                    | 58,388                            | 978                          | 3,271                      | 6,861                       | 136,649   |
| Net pension liability                  | 66,409                    | 178,139                           | -                            | -                          | 1,517                       | 246,065   |
| Total noncurrent liabilities           | 178,522                   | 303,721                           | 12,476                       | 8,995                      | 9,585                       | 513,299   |
| Total liabilities                      | 464,967                   | 359,865                           | 65,876                       | 1,519,453                  | 679,376                     | 3,089,537                                       |
| <b>DEFERRED INFLOWS OF RESOURCES</b>   |                           |                                   |                              |                            |                             |   |
| Deferred inflows related to OPEB       | 9,344                     | 8,151                             | 165                          | 469                        | 981                         | 19,110  |
| Deferred inflows related to pensions   | 386,701                   | 131,608                           | 34,522                       | 84,335                     | 76,207                      | 713,373   |
| Total deferred inflows of resources    | 396,045                   | 139,759                           | 34,687                       | 84,804                     | 77,188                      | 732,483   |
| <b>NET POSITION</b>                    |                           |                                   |                              |                            |                             |   |
| Net investment in capital assets       | 9,500,903                 | 550,533                           | -                            | -                          | -                           | 10,051,436                                      |
| Unrestricted                           | 12,154,122                | 3,163,943                         | (6,549)                      | 2,174,097                  | 6,962,571                   | 24,448,184                                      |
| Total net position                     | \$ 21,655,025             | \$ 3,714,476                      | \$ (6,549)                   | \$ 2,174,097               | \$ 6,962,571                | \$ 34,499,620                                   |

**City of Ames**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Internal Service Funds**  
**For the Year Ended June 30, 2022**

|  | <b>Fleet<br/>Services</b> | <b>Information<br/>Technology</b> | <b>Printing<br/>Services</b> | <b>Risk<br/>Management</b> | <b>Health<br/>Insurance</b> | <b>Total<br/>Internal<br/>Service<br/>Funds</b> |
|--|---------------------------|-----------------------------------|------------------------------|----------------------------|-----------------------------|---|
| Operating revenues:                      |                           |                                   |                              |                            |                             |   |
| Charges for services                     | \$ 4,537,118              | \$ 3,009,840                      | \$ 207,986                   | \$ 2,785,048               | \$ 11,469,165               | \$ 22,009,157                                   |
| Operating expenses:                      |                           |                                   |                              |                            |                             |   |
| Cost of goods and services               | 2,453,214                 | 2,601,674                         | 211,811                      | 2,794,247                  | 11,012,742                  | 19,073,688                                      |
| Depreciation                             | 1,308,121                 | 249,838                           | -                            | -                          | -                           | 1,557,959                                       |
| Total operating expenses                 | 3,761,335                 | 2,851,512                         | 211,811                      | 2,794,247                  | 11,012,742                  | 20,631,647                                      |
| Operating income (loss)                  | 775,783                   | 158,328                           | (3,825)                      | (9,199)                    | 456,423                     | 1,377,510                                       |
| Non-operating revenues:                  |                           |                                   |                              |                            |                             |   |
| Investment income                        | (209,516)                 | (46,033)                          | -                            | (44,527)                   | (140,477)                   | (440,553)                                       |
| Gain(loss) on disposal of capital assets | 16,239                    | -                                 | -                            | -                          | -                           | 16,239  |
| Total non-operating revenues             | (193,277)                 | (46,033)                          | -                            | (44,527)                   | (140,477)                   | (424,314)                                       |
| Income before transfers                  | 582,506                   | 112,295                           | (3,825)                      | (53,726)                   | 315,946                     | 953,196   |
| Transfers in                             | 75,000                    | 20,000                            | -                            | -                          | -                           | 95,000  |
| Change in net position                   | 657,506                   | 132,295                           | (3,825)                      | (53,726)                   | 315,946                     | 1,048,196                                       |
| Net position, beginning                  | 20,997,519                | 3,582,181                         | (2,724)                      | 2,227,823                  | 6,646,625                   | 33,451,424                                      |
| Net position, ending                     | <u>\$ 21,655,025</u>      | <u>\$ 3,714,476</u>               | <u>\$ (6,549)</u>            | <u>\$ 2,174,097</u>        | <u>\$ 6,962,571</u>         | <u>\$ 34,499,620</u>                            |

**City of Ames**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended June 30, 2022**

|   | <b>Fleet<br/>Services</b> | <b>Information<br/>Technology</b> | <b>Printing<br/>Services</b> | <b>Risk<br/>Management</b> | <b>Health<br/>Insurance</b> | <b>Total<br/>Internal<br/>Service<br/>Funds</b> |
|---|---------------------------|-----------------------------------|------------------------------|----------------------------|-----------------------------|---|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                         |                           |                                   |                              |                            |                             |   |
| Receipts from customers   | \$ 4,324,353              | \$ 3,001,056                      | \$ 227,349                   | \$ 2,784,893               | \$ 11,797,552               | \$ 22,135,203                                   |
| Payments to suppliers   | (1,310,633)               | (1,334,186)                       | (20,869)                     | (1,807,803)                | (11,198,126)                | (15,671,617)                                    |
| Payments to employees   | (929,894)                 | (869,036)                         | (169,116)                    | (146,956)                  | (168,175)                   | (2,283,177)                                     |
| Payments/receipts to other funds for services provided              | (281,094)                 | (465,322)                         | (37,364)                     | (8,261)                    | (11,563)                    | (803,604)                                       |
| Net cash provided by (used for) operating activities                | 1,802,732                 | 332,512                           | -                            | 821,873                    | 419,688                     | 3,376,805                                       |
| <b>CASH FLOW FROM NON-CAPITAL FINANCING<br/>ACTIVITIES</b>          |                           |                                   |                              |                            |                             |   |
| Transfers in  | 75,000                    | 20,000                            | -                            | -                          | -                           | 95,000  |
| <b>CASH FLOWS FROM CAPITAL AND RELATED<br/>FINANCING ACTIVITIES</b> |                           |                                   |                              |                            |                             |   |
| Acquisition and construction of capital assets                      | (752,382)                 | (34,915)                          | -                            | -                          | -                           | (787,297)                                       |
| Proceeds from the sale of capital assets                            | 167,083                   | -                                 | -                            | -                          | -                           | 167,083   |
| Net cash used for capital and related financing<br>activities       | (585,299)                 | (34,915)                          | -                            | -                          | -                           | (620,214)                                       |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                         |                           |                                   |                              |                            |                             |   |
| Purchase of investments   | (4,391,346)               | (1,209,660)                       | -                            | (1,709,848)                | (2,470,839)                 | (9,781,693)                                     |
| Proceeds from sale of investments                                   | 1,351,217                 | 372,212                           | -                            | 526,120                    | 760,277                     | 3,009,826                                       |
| Interest on investments   | (180,237)                 | (37,343)                          | -                            | (36,014)                   | (119,389)                   | (372,983)                                       |
| Net cash (used for) investing activities                            | (3,220,366)               | (874,791)                         | -                            | (1,219,742)                | (1,829,951)                 | (7,144,850)                                     |
| Net decrease in cash and cash equivalents                           | (1,927,933)               | (557,194)                         | -                            | (397,869)                  | (1,410,263)                 | (4,293,259)                                     |
| Cash and cash equivalents, beginning                                | 4,571,844                 | 1,319,694                         | -                            | 1,245,795                  | 3,088,481                   | 10,225,814                                      |
| Cash and cash equivalents, ending                                   | \$ 2,643,911              | \$ 762,500                        | \$ -                         | \$ 847,926                 | \$ 1,678,218                | \$ 5,932,555                                    |

**City of Ames**  
**Combining Statement of Cash Flows (continued)**  
**Internal Service Funds**  
**For the Year Ended June 30, 2022**

|  | <b>Fleet<br/>Services</b> | <b>Information<br/>Technology</b> | <b>Printing<br/>Services</b> | <b>Risk<br/>Management</b> | <b>Health<br/>Insurance</b> | <b>Total<br/>Internal<br/>Service<br/>Funds</b> |
|--|---------------------------|-----------------------------------|------------------------------|----------------------------|-----------------------------|---|
| <b>Reconciliation of operating income (loss) to net cash<br/>provided by operating activities:</b> |                           |                                   |                              |                            |                             |   |
| Operating income (loss)  | \$ 775,783                | \$ 158,328                        | \$ (3,825)                   | \$ (9,199)                 | \$ 456,423                  | \$ 1,377,510                                    |
| Adjustments to reconcile operating income to net cash<br>provided by operating activities:         |                           |                                   |                              |                            |                             |   |
| Depreciation expense   | 1,308,121                 | 249,838                           | -                            | -                          | -                           | 1,557,959                                       |
| Change in accounts receivable  | (39,410)                  | -                                 | (36)                         | (48)                       | 322,649                     | 283,155   |
| Change in due from other funds   | (190,971)                 | (18,702)                          | 20,485                       | (107)                      | (131)                       | (189,426)                                       |
| Change in intergovernmental receivable   | 17,616                    | 9,918                             | (1,086)                      | -                          | 5,869                       | 32,317  |
| Change in inventories  | 16,301                    | (1,218)                           | 5,036                        | -                          | -                           | 20,119  |
| Change in prepaid items  | 340                       | 26,719                            | -                            | 586,539                    | -                           | 613,598   |
| Change in deferred outflows of resources   | 46,513                    | 19,773                            | 4,768                        | (8,564)                    | 5,724                       | 68,214  |
| Change in accounts payable   | (43,030)                  | (31,711)                          | 1,360                        | (8,436)                    | 15,564                      | (66,253)  |
| Change in accrued payroll  | 474                       | (1,139)                           | -                            | -                          | -                           | (665)   |
| Change in accrued compensated absences   | 2,647                     | (9,245)                           | 12,354                       | 1,646                      | (7,350)                     | 52  |
| Change in due to other funds   | 49,356                    | (19,271)                          | (25,760)                     | (80)                       | (3,753)                     | 492   |
| Change in claims payable   | -                         | -                                 | -                            | 268,339                    | (349,480)                   | (81,141)  |
| Change in intergovernmental payable  | (3,071)                   | -                                 | -                            | (540)                      | (2,825)                     | (6,436)   |
| Increase in post-employment benefits   | 5,197                     | 5,361                             | 978                          | 924                        | 1,070                       | 13,530  |
| Change in pension liability  | (516,541)                 | (180,869)                         | (48,961)                     | (91,766)                   | (97,759)                    | (935,896)                                       |
| Increase in deferred inflows of resources  | 373,407                   | 124,730                           | 34,687                       | 83,165                     | 73,687                      | 689,676   |
| Total adjustments  | 1,026,949                 | 174,184                           | 3,825                        | 831,072                    | (36,735)                    | 1,999,295                                       |
| Net cash provided by operating activities  | \$ 1,802,732              | \$ 332,512                        | \$ -                         | \$ 821,873                 | \$ 419,688                  | \$ 3,376,805                                    |





# 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.

| <b>Contents</b>   | <b>Page</b> |
|---|-------------|
| Financial Trends  | 131         |
| <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  | 137         |
| <i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>  |             |
| Debt Capacity   | 141         |
| <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  | 147         |
| <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   | 150         |
| <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    |                |                |                |                |                |                |                |                  |                  |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|------------------|
|                                  | 2013           | 2014           | 2015           | 2016           | 2017           | 2018           | 2019           | 2020           | 2021             | 2022             |
| Governmental activities          |                |                |                |                |                |                |                |                |                  |                  |
| Net investment in capital assets | \$ 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   | \$ 156,680,795   |
| Restricted                       | 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       | 39,812,571       |
| Unrestricted                     | 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        | 6,880,565        |
| Total governmental activities    | 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      | 203,373,931      |
| Business-type activities         |                |                |                |                |                |                |                |                |                  |                  |
| Net investment in capital assets | 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      | 347,429,640      |
| Restricted                       | 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       | 10,993,096       |
| Unrestricted                     | 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      | 464,823,787      |
| Total business-type activities   | 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      | 823,246,523      |
| Primary government               |                |                |                |                |                |                |                |                |                  |                  |
| Net investment in capital assets | 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      | 504,110,435      |
| Restricted                       | 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       | 50,805,667       |
| Unrestricted                     | 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      | 471,704,352      |
| Total primary government         | \$ 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 | \$ 1,026,620,454 |



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

|                                    | Fiscal Year  |              |              |              |              |              |              |              |              |              |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                                    | 2013         | 2014         | 2015         | 2016         | 2017         | 2018         | 2019         | 2020         | 2021         | 2022         |
| <b>Expenses</b>                    |              |              |              |              |              |              |              |              |              |              |
| Governmental activities:           |              |              |              |              |              |              |              |              |              |              |
| General government                 | \$ 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 | \$ 3,343,575 |
| Public safety                      | 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   | 16,610,543   |
| Public works                       | 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   | 17,447,329   |
| Health and social services         | 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    | 1,634,556    |
| Culture and recreation             | 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   | 11,306,025   |
| Community and economic development | 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    | 4,030,738    |
| Interest                           | 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    | 1,474,802    |
| Total governmental activities      | 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   | 55,847,568   |
| Business-type activities:          |              |              |              |              |              |              |              |              |              |              |
| Mary Greeley Medical Center        | 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  | 220,771,985  |
| Electric                           | 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   | 62,489,331   |
| Sewer                              | 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    | 6,788,649    |
| Water                              | 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   | 9,720,409    |
| Airport                            | -            | -            | -            | -            | -            | -            | -            | -            | -            | 971,080      |
| Parking                            | 846,825      | 876,916      | 888,452      | 900,939      | 887,679      | 891,229      | 975,126      | 999,414      | 842,179      | 757,891      |
| Transit                            | 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   | 13,663,553   |
| Stormwater                         | 655,522      | 467,378      | 644,411      | 557,890      | 1,231,885    | 420,171      | 270,883      | 796,588      | 662,387      | 840,274      |
| Ice arena                          | 606,215      | 578,163      | 584,702      | 605,291      | 602,774      | 651,714      | 650,947      | 665,247      | 557,566      | 540,335      |
| Golf course                        | 211,279      | 206,620      | 253,997      | 243,309      | 258,459      | 227,798      | 254,380      | 215,211      | 253,985      | 266,379      |
| Resource recovery                  | 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    | 4,500,088    |
| Total business-type activities     | 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  | 321,309,974  |
| Total expenses                     | 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  | 377,157,542  |
| <b>Program Revenues</b>            |              |              |              |              |              |              |              |              |              |              |
| Governmental activities:           |              |              |              |              |              |              |              |              |              |              |
| Charges for services:              |              |              |              |              |              |              |              |              |              |              |
| General government                 | 130,627      | 163,655      | 134,239      | 172,126      | 203,609      | 158,792      | 123,407      | 116,999      | 65,793       | 106,659      |
| Public safety                      | 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    | 3,406,960    |
| Public works                       | 6,026,315    | 295,874      | 715,898      | 277,437      | 268,565      | 2,737,534    | 310,035      | 314,576      | 310,887      | 119,170      |
| Culture and recreation             | 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    | 1,879,755    |
| Other activities                   | 11,140       | 15,925       | 23,015       | 24,615       | 25,660       | 21,132       | 15,082       | 17,650       | 17,728       | 22,680       |
| Operating grants and contributions | 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   | 22,525,675   |
| Capital grants and contributions   | 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   | 1,882,523    |
| Total governmental activities      | 15,746,622   | 16,338,907   | 15,361,648   | 21,103,257   | 21,747,418   | 20,301,361   | 18,460,121   | 18,356,614   | 28,320,854   | 29,943,422   |

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

|                                    | Fiscal Year  |              |              |              |              |              |              |              |              |              |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                                    | 2013         | 2014         | 2015         | 2016         | 2017         | 2018         | 2019         | 2020         | 2021         | 2022         |
| Business-type activities:          |              |              |              |              |              |              |              |              |              |              |
| Charges for services               |              |              |              |              |              |              |              |              |              |              |
| Mary Greeley Medical Center        | 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  | 221,854,322  |
| Electric                           | 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   | 67,655,268   |
| Sewer                              | 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    | 9,027,049    |
| Water                              | 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   | 11,959,469   |
| Airport                            | -            | -            | -            | -            | -            | -            | -            | -            | -            | 244,473      |
| Parking                            | 883,899      | 870,246      | 891,983      | 925,177      | 899,705      | 829,993      | 1,011,601    | 797,454      | 677,293      | 952,298      |
| Transit                            | 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    | 7,062,349    |
| Stormwater                         | 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    | 1,890,675    |
| Ice arena                          | 471,760      | 507,203      | 532,001      | 544,300      | 481,831      | 504,884      | 475,197      | 444,262      | 382,917      | 529,289      |
| Golf course                        | 220,643      | 256,221      | 248,853      | 268,440      | 191,186      | 184,601      | 179,367      | 150,549      | 232,826      | 348,492      |
| Resource recovery                  | 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    | 4,299,454    |
| Operating grants and contributions | 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   | 15,205,764   |
| Capital grants and contributions   | 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    | 8,366,793    |
| Total business-type activities     | 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  | 349,395,695  |
| Total program revenues             | 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  | 379,339,117  |
| <b>Net (expense) / revenue</b>     |              |              |              |              |              |              |              |              |              |              |
| Governmental activities            | (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) | (25,904,146) |
| Business-type activities           | 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   | 28,085,721   |
| Total net (expense) / revenue      | (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)  | 2,181,575    |

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

|                                       | Fiscal Year   |               |               |               |               |               |               |               |                |               |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|---------------|
|                                       | 2013          | 2014          | 2015          | 2016          | 2017          | 2018          | 2019          | 2020          | 2021           | 2022          |
| <b>General revenues</b>               |               |               |               |               |               |               |               |               |                |               |
| Governmental activities:              |               |               |               |               |               |               |               |               |                |               |
| Taxes                                 |               |               |               |               |               |               |               |               |                |               |
| Property taxes                        | 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     | 35,243,169    |
| Sales taxes                           | 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     | 11,231,768    |
| Hotel / motel taxes                   | 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      | 2,415,735     |
| Unrestricted grants and contributions | 17,726        | 17,819        | 19,108        | 20,527        | 20,565        | 22,146        | 23,589        | 54,366        | 21,126         | 16,152        |
| Investment income                     | 18,067        | 544,414       | 455,916       | 699,289       | 211,126       | 689,377       | 2,190,478     | 2,177,884     | 436,298        | (1,582,910)   |
| Other income                          | 120,071       | 118,097       | 133,787       | 450,340       | 251,997       | 1,214,979     | 759,997       | 602,881       | 595,001        | 58,780        |
| Gain on disposal of assets            | 16,084        | 25,501        | 63,228        | 140,825       | 118,389       | 6,039         | -             | -             | (105,678)      | 16,239        |
| Transfers                             | 12,751        | (18,401)      | 117,020       | (13,399)      | (465,996)     | (1,604,405)   | (222,839)     | (376,965)     | (1,036,017)    | (965,845)     |
| Total governmental activities         | 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     | 46,433,088    |
| Business-type activities:             |               |               |               |               |               |               |               |               |                |               |
| Investment income                     | 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     | (40,796,262)  |
| Other income                          | 40,761        | 66,660        | 64,714        | 40,083        | 417,879       | 427,961       | 337,470       | 647,271       | 3,786,658      | 3,744,892     |
| Gain(Loss) on disposal of assets      | 35,091        | 551,139       | 25,700        | -             | 48,479        | 12,078        | 8,354         | -             | (285,055)      | -             |
| Transfers                             | (12,751)      | 18,401        | (117,020)     | 13,399        | 465,996       | 1,604,405     | 222,839       | 376,965       | 1,036,017      | 965,845       |
| Total business-type activities        | 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     | (36,085,525)  |
| Total primary government              | 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    | 10,347,563    |
| <b>Change in net position</b>         |               |               |               |               |               |               |               |               |                |               |
| Governmental activities               | 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     | 20,528,942    |
| Business-type activities              | 37,917,872    | 54,678,583    | 28,782,559    | 32,395,250    | 53,560,047    | 36,571,568    | 32,922,021    | 19,624,252    | 107,042,300    | (7,999,804)   |
| Total change in net position          | \$ 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 | \$ 12,529,138 |

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

|                                    | Fiscal Year          |                      |                      |                      |                      |                      |                      |                      |                      |                      |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                                    | 2013                 | 2014                 | 2015                 | 2016                 | 2017                 | 2018                 | 2019                 | 2020                 | 2021                 | 2022                 |
| General fund                       |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Nonspendable                       | \$ 73,623            | \$ 68,428            | \$ 90,538            | \$ 141,713           | \$ 172,236           | \$ 237,381           | \$ 240,990           | \$ 240,978           | \$ 198,600           | \$ 164,992           |
| Assigned                           | 382,930              | 253,059              | 296,803              | 725,077              | 809,033              | 580,004              | 402,312              | 283,809              | 548,738              | 1,835,107            |
| Unassigned                         | 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           | 12,329,478           |
| Total general fund                 | <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> | <u>\$ 14,329,577</u> |
| All other governmental funds       |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Nonspendable                       | 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            | 3,075,380            |
| Restricted                         | 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           | 57,406,305           |
| Committed                          | 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            | 2,388,405            |
| Assigned                           | -                    | -                    | -                    | 71,393               | -                    | -                    | -                    | -                    | -                    | -                    |
| Unassigned                         | (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)          | (3,188,655)          |
| Total all other governmental funds | <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> | <u>\$ 59,681,435</u> |

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

|  | Fiscal Year   |                 |               |               |               |               |               |               |               |               |
|--|---------------|-----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|  | 2013          | 2014            | 2015          | 2016          | 2017          | 2018          | 2019          | 2020          | 2021          | 2022          |
| <b>REVENUES</b>  |               |                 |               |               |               |               |               |               |               |               |
| Taxes  | \$ 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 | \$ 48,890,673 |
| Special assessments  | 306,761       | 16,590          | 362,306       | 222,895       | 298,227       | 564,860       | 321,318       | 303,643       | 244,640       | 250,101       |
| Licenses and permits   | 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     | 1,204,048     |
| Intergovernmental  | 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    | 25,733,276    |
| Charges for services   | 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     | 4,287,041     |
| Fines and forfeitures  | 111,014       | 146,485         | 138,720       | 93,652        | 67,584        | 65,504        | 43,614        | 28,276        | 29,083        | 30,690        |
| Investment income  | 70,115        | 419,786         | 404,297       | 529,364       | 169,673       | 530,341       | 1,598,321     | 1,579,072     | 309,365       | (1,165,866)   |
| Interest revenue   | -             | -               | -             | -             | -             | -             | -             | -             | -             | 23,510        |
| Miscellaneous  | 1,219,633     | 863,337         | 825,429       | 852,639       | 930,506       | 1,856,014     | 1,231,347     | 1,064,583     | 595,063       | 348,975       |
| Total revenues   | 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    | 79,602,448    |
| <b>EXPENDITURES</b>  |               |                 |               |               |               |               |               |               |               |               |
| Current:   |               |                 |               |               |               |               |               |               |               |               |
| General government   | 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     | 3,527,579     |
| Public safety  | 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    | 19,660,747    |
| Public works   | 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     | 7,596,306     |
| Health and social services                                   | 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     | 1,634,714     |
| Culture and recreation                                       | 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    | 9,421,839     |
| Community and economic development                           | 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     | 4,098,763     |
| Debt service:  |               |                 |               |               |               |               |               |               |               |               |
| Principal  | 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    | 19,221,616    |
| Interest and fiscal charges                                  | 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     | 2,316,384     |
| Capital outlay   | 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    | 17,863,931    |
| Total expenditures   | 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    | 85,341,879    |
| Excess (deficiency) of revenues<br>over (under) expenditures | (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)  | (5,739,431)   |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |               |                 |               |               |               |               |               |               |               |               |
| Transfers in   | 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    | 14,941,345    |
| Transfers out  | (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)  | (16,002,190)  |
| General obligation bonds issued                              | 30,455,000    | -               | 9,395,000     | 11,435,000    | 6,890,605     | 6,985,000     | 7,490,000     | 10,520,000    | 9,500,000     | 9,850,000     |
| Premium on general obligation bonds                          | 1,302,774     | -               | 238,187       | 901,045       | 475,349       | 602,484       | 610,152       | 1,025,738     | 1,249,757     | 1,283,972     |
| Refunding bonds issued                                       | 2,090,000     | -               | -             | 5,150,000     | 2,130,000     | 3,990,000     | -             | -             | 7,929,118     | 9,372,505     |
| Premium on refunding bonds                                   | 57,213        | -               | -             | 436,214       | 189,555       | 326,513       | -             | -             | 861,282       | 1,280,406     |
| Payment to refunded bond escrow                              | -             | -               | -             | -             | -             | (4,328,059)   | -             | -             | -             | -             |
| Total other financing sources (uses)                         | 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    | 20,726,038    |
| Net change in fund balances                                  | \$ 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  | \$ 14,986,607 |
| Debt service as a percentage of<br>non-capital expenditures  | 23.0%         | 21.0%           | 20.0%         | 28.2%         | 24.2%         | 20.1%         | 19.6%         | 19.8%         | 31.4%         | 30.9%         |

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

| <b>Fiscal<br/>Year<br/>Ended<br/>June 30,</b> | <b>Residential<br/>Property</b> | <b>Commercial<br/>Property</b> | <b>Industrial<br/>Property</b> | <b>Utilities</b> | <b>Multi-<br/>Residential<sup>1</sup></b> | <b>Other<br/>Property<sup>1</sup></b> | <b>Less:<br/>Military Tax<br/>Exemption</b> | <b>Total<br/>Taxable<br/>Value</b> | <b>Total<br/>Direct<br/>Tax Rate</b> | <b>Estimated<br/>Actual<br/>Assessed<br/>Value</b> | <b>Taxable<br/>Value as a<br/>Percentage of<br/>Estimated<br/>Actual Assessed<br/>Value</b> |
|---|---------------------------------|--------------------------------|--------------------------------|------------------|---|---------------------------------------|---|------------------------------------|--------------------------------------|--|---|
| 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%  |
| 2022  | 2,076,567,110                   | 819,752,150                    | 140,542,410                    | 20,977,701       | 201,918,142                               | -                                     | 2,031,644                                   | 3,257,725,869                      | 9.8736                               | 5,187,510,467                                      | 62.80%  |

Source: Story County Auditor

<sup>1</sup> 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**

| <b>Fiscal<br/>Year</b> | <b>City Direct Rates</b>   |                           |                              |                         |  | <b>Overlapping Rates<sup>1</sup></b>            |  |  | <b>Total<br/>Direct &amp;<br/>Overlapping<br/>Rates</b> |
|------------------------|----------------------------|---------------------------|------------------------------|-------------------------|--|---|--|--|---|
|                        | <b>General<sup>2</sup></b> | <b>Public<br/>Transit</b> | <b>Employee<br/>Benefits</b> | <b>Debt<br/>Service</b> | <b>Total<br/>Direct<br/>Tax Rate<sup>3</sup></b> | <b>Ames<br/>School<br/>District<sup>4</sup></b> | <b>Consoli-<br/>dated<br/>County<sup>5</sup></b> | <b>Area<br/>Vocational<sup>6</sup></b> |   |
| 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  |
| 2022                   | 5.54979                    | 0.60847                   | 0.71802                      | 2.99735                 | 9.87363  | 14.34470  | 6.29050  | 0.67789                                | 31.18672  |

<sup>1</sup> 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.

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

<sup>3</sup> City Council sets the rate.

<sup>4</sup> School district board of education sets the rate.

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

<sup>6</sup> Area community college sets the rate.

Source: Story County Auditor

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

| <b>Taxpayer</b>                      | <b>2022</b>                           |             |   | <b>2013</b>                           |             |   |
|--------------------------------------|---------------------------------------|-------------|---|---------------------------------------|-------------|---|
|                                      | <b>Taxable<br/>Assessed<br/>Value</b> | <b>Rank</b> | <b>Percentage<br/>of Total<br/>Assessed<br/>Value</b> | <b>Taxable<br/>Assessed<br/>Value</b> | <b>Rank</b> | <b>Percentage<br/>of Total<br/>Assessed<br/>Value</b> |
| Iowa State University Research Park  | \$ 66,799,716                         | 1           | 2.05%   | \$ 30,786,100                         | 4           | 1.37%   |
| Barilla America Inc.                 | 49,273,616                            | 2           | 1.51%   | 36,199,000                            | 2           | 1.62%   |
| Campus Investors IS LLC              | 36,834,293                            | 3           | 1.13%   | 48,098,010                            | 1           | 2.15%   |
| Clinic Building Company, Inc.        | 33,471,630                            | 4           | 1.03%   | 22,055,300                            | 9           | 0.98%   |
| FPA6 University West LLC             | 25,206,223                            | 5           | 0.77%   |                                       |             |   |
| GPT Ames Owner LLC                   | 21,346,650                            | 6           | 0.66%   |                                       |             |   |
| Dayton Park LLC                      | 20,717,133                            | 7           | 0.64%   |                                       |             |   |
| ACA Stadium View Student Housing Dst | 20,166,373                            | 8           | 0.62%   |                                       |             |   |
| CB at Ames LLC                       | 17,986,442                            | 9           | 0.55%   |                                       |             |   |
| Tailwind 1854 Madison LLC            | 16,748,303                            | 10          | 0.51%   |                                       |             |   |
| Jensen Development Corporation       |                                       |             |   | 33,076,100                            | 3           | 1.48%   |
| Campus Crest at Ames, LLC            |                                       |             |   | 28,168,375                            | 5           | 1.26%   |
| University West Property             |                                       |             |   | 27,617,600                            | 6           | 1.23%   |
| Haverkamp Properties, Inc.           |                                       |             |   | 25,828,300                            | 7           | 1.15%   |
| North Grant Mall Partners, LLC       |                                       |             |   | 24,535,400                            | 8           | 1.10%   |
| Wessex, LLC                          |                                       |             |   | 21,078,800                            | 10          | 0.94%   |
|                                      | <u>\$ 308,550,379</u>                 |             | <u>9.47%</u>  | <u>\$ 297,442,985</u>                 |             | <u>13.28%</u>   |

Source: Story County Auditor



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

| <b>Fiscal<br/>Year<br/>Ended<br/>June 30,</b> | <b>Tax Levied<br/>for the<br/>Fiscal Year</b> | <b>Collected within the<br/>Fiscal Year of the Levy</b> |                               | <b>Collections<br/>in Subsequent<br/>Years</b> | <b>Total Collections to Date</b> |                               |
|---|---|---|-------------------------------|--|----------------------------------|-------------------------------|
|   |   | <b>Amount<br/>Collected</b>                             | <b>Percentage<br/>of Levy</b> |  | <b>Amount<br/>Collected</b>      | <b>Percentage<br/>of Levy</b> |
| 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%                        |
| 2022  | 32,428,985                                    | 31,361,804  | 96.71%                        | -  | 31,361,804                       | 96.71%                        |

Sources: Story County Auditor and City Finance Department

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

| Fiscal<br>Year | Governmental<br>Activities                  | Business-Type Activities                    |                               |                  |                  | Total<br>Outstanding<br>Debt | Percentage<br>of Personal<br>Income <sup>2</sup> | Population <sup>3</sup> | Per<br>Capita |
|----------------|---|---|-------------------------------|------------------|------------------|------------------------------|--|-------------------------|---------------|
|                | General<br>Obligation<br>Bonds <sup>1</sup> | General<br>Obligation<br>Bonds <sup>1</sup> | Revenue<br>Bonds <sup>1</sup> | Notes<br>Payable | Loans<br>Payable |                              |  |                         |               |
| 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                  | 12.86%   | 66,361                  | 3,538         |
| 2022           | 65,692,675                                  | 3,575,334                                   | 101,662,284                   | -                | 54,333,000       | 225,263,293                  | 10.73%   | 66,427                  | 3,391         |

<sup>1</sup> Presented net of original issuance discounts and premiums and deferred charges

<sup>2</sup> Personal income is presented on page 147

<sup>3</sup> United States Census Bureau

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

| <b>Fiscal Year</b> | <b>General Obligation Bonds<sup>1</sup></b> | <b>Less: Amounts Available in Debt Service Fund<sup>2</sup></b> | <b>Total</b>  | <b>Percentage of Estimated Actual Assessed Value of Property<sup>3</sup></b> | <b>Per Capita<sup>4</sup></b> |
|--------------------|---|---|---------------|--|-------------------------------|
| 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                         |
| 2022               | 69,268,009                                  | 2,090,539   | 67,177,470    | 1.29%  | 1,011                         |

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

<sup>2</sup> Amount restricted for debt service payments

<sup>3</sup> See page 137 for property value data

<sup>4</sup> See page 147 for population data

**City of Ames**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2022**

| <b>Governmental Unit</b>                        | <b>Debt<br/>Outstanding</b> | <b>Estimated<br/>Percentage<br/>Applicable</b> | <b>Amount<br/>Applicable to<br/>Primary<br/>Government</b> |
|---|-----------------------------|--|--|
| Debt repaid with property taxes:                |                             |  |  |
| Ames Community School District                  | \$ 94,745,000               | 98.32%   | \$ 93,153,284  |
| Gilbert Community School District               | 32,340,000                  | 50.90%   | 16,461,060   |
| Des Moines Area Community College <sup>1</sup>  | 38,250,000                  | 5.90%  | 2,256,750  |
| Nevada Community School District                | 9,650,000                   | 0.23%  | 22,195   |
| United Community School District                | 1,535,000                   | 3.60%  | 55,260   |
| Story County                                    | 6,143,356                   | 59.48%   | 3,654,068  |
| Other debt:                                     |                             |  |  |
| Ames Community School District revenue bonds    | 17,350,000                  | 98.32%   | 17,058,520   |
| Gilbert Community School District revenue bonds | 5,355,000                   | 50.90%   | 2,725,695  |
| Nevada Community School District revenue bonds  | 9,976,000                   | 0.23%  | 22,945   |
| Nevada Community School District capital notes  | 638,000                     | 0.23%  | 1,467  |
| United Community School District revenue bonds  | 2,150,000                   | 3.60%  | 77,400   |
| Story County                                    | 2,075,160                   | 59.48%   | 1,234,305  |
| Subtotal, overlapping debt                      |                             |  | 136,722,949  |
| City direct debt                                |                             |  | 65,692,675   |
| Total direct and overlapping debt               |                             |  | <u>\$202,415,624</u>                                       |

<sup>1</sup> 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, 2022**

Legal debt margin for the fiscal year ended June 30, 2022:

|   |                         |
|---|-------------------------|
| Assessed value                          | <u>\$ 5,187,510,467</u> |
| Debt limit (5% of actual value)         | \$ 259,375,523          |
| Debt applicable to limit:               |                         |
| General obligation bonds                | <u>62,570,000</u>       |
| Legal debt margin                       | <u>\$ 196,805,523</u>   |
| Percentage of net debt margin available | <u>75.88%</u>           |
| Percentage of net debt margin exhausted | <u>24.12%</u>           |

| Year | Debt Limit     | Outstanding<br>Debt | Percentage of<br>Net Debt<br>Margin<br>Available |
|------|----------------|---------------------|--|
| 2022 | \$ 259,375,523 | \$ 62,570,000       | 75.88%   |
| 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%   |

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

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

| <b>Hospital Revenue Bond</b> |                                       |   |                                      |                                 |                 |                 |
|------------------------------|---------------------------------------|---|--------------------------------------|---------------------------------|-----------------|-----------------|
| <b>Fiscal<br/>Year</b>       | <b>Gross<br/>Revenues<sup>3</sup></b> | <b>Less:<br/>Operating<br/>Expenses</b> | <b>Net<br/>Available<br/>Revenue</b> | <b>Debt Service<sup>1</sup></b> |                 | <b>Coverage</b> |
|                              |                                       |   |                                      | <b>Principal</b>                | <b>Interest</b> |                 |
| 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            |
| 2022                         | 221,854,322                           | 198,072,124                             | 23,782,198                           | 5,665,000                       | 3,357,940       | 2.64            |

| <b>Electric Revenue Bond</b> |                           |   |                                      |                     |                 |                 |
|------------------------------|---------------------------|---|--------------------------------------|---------------------|-----------------|-----------------|
| <b>Fiscal<br/>Year</b>       | <b>Gross<br/>Revenues</b> | <b>Less:<br/>Operating<br/>Expenses</b> | <b>Net<br/>Available<br/>Revenue</b> | <b>Debt Service</b> |                 | <b>Coverage</b> |
|                              |                           |   |                                      | <b>Principal</b>    | <b>Interest</b> |                 |
| 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           |
| 2022                         | 67,655,268                | 57,070,684                              | 10,584,584                           | 795,000             | 171,306         | 10.95           |

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

| <b>Sewer Capital Loan Note</b> |                       |                                 |                              |                                 |                 |                 |
|--------------------------------|-----------------------|---------------------------------|------------------------------|---------------------------------|-----------------|-----------------|
| <b>Fiscal Year</b>             | <b>Gross Revenues</b> | <b>Less: Operating Expenses</b> | <b>Net Available Revenue</b> | <b>Debt Service<sup>2</sup></b> |                 | <b>Coverage</b> |
|                                |                       |                                 |                              | <b>Principal<sup>1</sup></b>    | <b>Interest</b> |                 |
| 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                    | 410,827                         | 112,402         | 6.80            |
| 2022                           | 9,027,049             | 5,026,514                       | 4,000,535                    | 434,000                         | 106,493         | 7.40            |

| <b>Water Capital Loan Note</b> |                       |                                 |                              |                     |                 |                 |
|--------------------------------|-----------------------|---------------------------------|------------------------------|---------------------|-----------------|-----------------|
| <b>Fiscal Year</b>             | <b>Gross Revenues</b> | <b>Less: Operating Expenses</b> | <b>Net Available Revenue</b> | <b>Debt Service</b> |                 | <b>Coverage</b> |
|                                |                       |                                 |                              | <b>Principal</b>    | <b>Interest</b> |                 |
| 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                    | 2,686,718           | 1,162,984       | 1.51            |
| 2022                           | 11,959,469            | 6,271,197                       | 5,688,272                    | 2,736,000           | 1,000,260       | 1.52            |

<sup>1</sup> Debt service payments do not include payments to refund revenue bonds.

<sup>2</sup> 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.

<sup>3</sup> Prior year gross revenues were restated to accurately reflect operating revenue.

<sup>4</sup> 2021 contains loan forgiveness for meeting Iowa Finance Authority building standards.

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

| <b>Calendar<br/>Year</b> | <b>Population<sup>1</sup></b> | <b>Per<br/>Capita<br/>Personal<br/>Income<sup>1</sup></b> | <b>Personal<br/>Income</b> | <b>School<br/>Enrollment<sup>2</sup></b> | <b>Unemployment<br/>Rate<sup>3</sup></b> |
|--------------------------|-------------------------------|---|----------------------------|--|--|
| 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                     | 66,427                        | 27,483  | 1,825,613,241              | 4,351                                    | 3.7%                                     |
| 2021                     | 66,427                        | 31,600  | 2,099,093,200              | 4,484                                    | 2.2%                                     |

<sup>1</sup> United States Census Bureau

<sup>2</sup> Ames School District

<sup>3</sup> Iowa Workforce Development



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

| Employer                          | 2022      |      |   | 2013      |      |   |
|-----------------------------------|-----------|------|---|-----------|------|---|
|                                   | Employees | Rank | Percentage<br>of Total City<br>Employment | Employees | Rank | Percentage<br>of Total City<br>Employment |
| Iowa State University             | 18,212    | 1    | 33.33%                                    | 15,211    | 1    | 29.38%                                    |
| Mary Greeley Medical Center       | 1,407     | 2    | 2.57%                                     | 1,376     | 2    | 2.76%                                     |
| City of Ames                      | 1,382     | 3    | 2.53%                                     | 1,161     | 3    | 1.92%                                     |
| McFarland Clinic, P.C.            | 1,200     | 4    | 2.20%                                     | 925       | 5    | 1.87%                                     |
| Danfoss (1)                       | 1,052     | 5    | 1.93%                                     | 650       | 7    | 1.32%                                     |
| Iowa Department of Transportation | 975       | 6    | 1.78%                                     | 962       | 4    | 1.96%                                     |
| USDA                              | 750       | 7    | 1.37%                                     |           |      |   |
| Ames Community School District    | 700       | 8    | 1.28%                                     | 650       | 8    | 1.32%                                     |
| Hach Chemical                     | 580       | 9    | 1.06%                                     |           |      |   |
| Workiva                           | 550       | 10   | 1.01%                                     |           |      |   |
| Hy-Vee Food Stores                |           |      |   | 725       | 6    | 1.51%                                     |
| Ames Laboratories                 |           |      |   | 432       | 9    | 0.96%                                     |
| Wal-Mart                          |           |      |   | 435       | 10   | 0.90%                                     |
| Total                             |           |      | <u>49.06%</u>                             |           |      | <u>43.90%</u>                             |

<sup>1</sup> 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     |                 |                 |                 |                 |                 |                 |                 |                 |                 |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                                      | 2013            | 2014            | 2015            | 2016            | 2017            | 2018            | 2019            | 2020            | 2021            | 2022            |
| General government:                  |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Management services                  | 23.25           | 23.25           | 23.25           | 23.25           | 24.25           | 24.25           | 24.50           | 24.50           | 24.50           | 25.50           |
| Finance                              | 40.75           | 40.75           | 40.75           | 40.75           | 40.75           | 40.75           | 41.00           | 41.00           | 41.00           | 41.00           |
| Planning and housing                 | 8.00            | 8.00            | 7.00            | 7.00            | 7.00            | 7.00            | 7.00            | 7.00            | 7.00            | 7.00            |
| Administrative services <sup>1</sup> | -               | -               | 6.50            | 6.00            | 6.00            | 5.00            | 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           | 81.55           | 84.05           | 84.05           | 84.05           | 84.50           | 85.50           | 85.50           | 85.50           |
| Fire/inspections                     | 68.50           | 68.50           | 65.00           | 65.00           | 68.00           | 70.00           | 71.00           | 72.00           | 73.00           | 74.00           |
| Police/animal control/parking        | 77.65           | 77.65           | 77.65           | 77.65           | 79.65           | 80.65           | 82.15           | 83.15           | 84.60           | 85.05           |
| Library                              | 31.50           | 31.50           | 35.25           | 35.50           | 35.75           | 35.75           | 36.50           | 37.00           | 37.00           | 37.00           |
| Parks and recreation                 | 19.50           | 19.50           | 19.50           | 19.50           | 25.00           | 25.00           | 25.00           | 25.00           | 26.75           | 27.75           |
| Water and pollution control          | 41.50           | 41.25           | 40.05           | 40.05           | 40.30           | 40.30           | 40.00           | 40.00           | 38.00           | 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            | 1.50            | 2.00            | 2.00            | 2.00            | 2.00            | 2.00            | 2.00            | 2.00            |
| Engineering                          | 14.00           | 14.00           | 14.00           | 15.75           | 15.75           | 14.75           | 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           | 22.00           | 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           | 12.00           | 13.00           | 13.00           |
| Other                                | 13.00           | 13.00           | 13.00           | 13.00           | 8.00            | 10.00           | 10.00           | 10.00           | 10.00           | 10.00           |
| Hospital                             | 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        | 1,168.00        |
| Total                                | <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> | <u>1,761.05</u> |

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

Source: City Finance Department

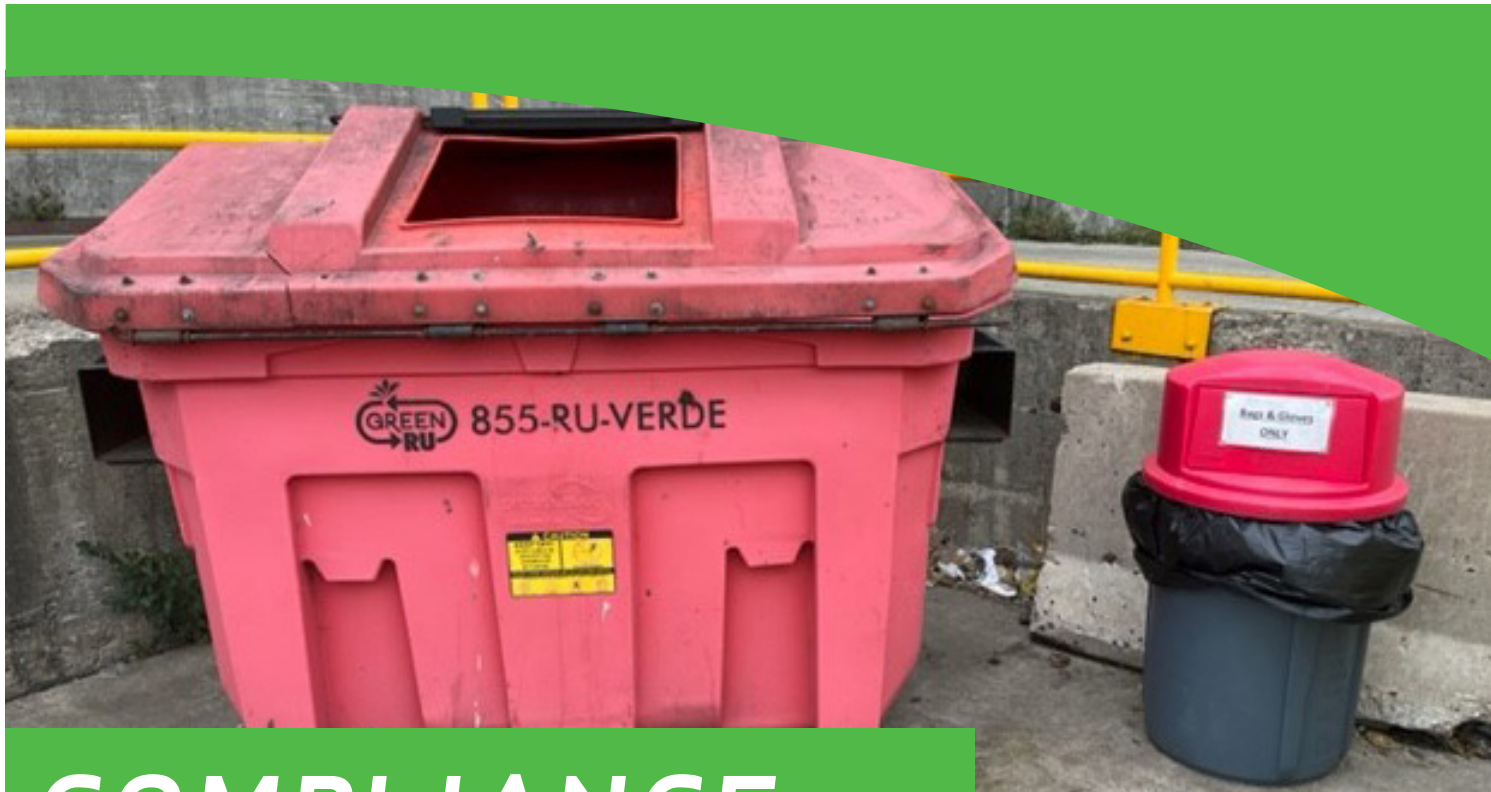
**City of Ames**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**

| Function/Program                     | Fiscal Year |             |             |             |             |             |             |             |             |             |
|--------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                                      | 2013        | 2014        | 2015        | 2016        | 2017        | 2018        | 2019        | 2020        | 2021        | 2022        |
| General government:                  |             |             |             |             |             |             |             |             |             |             |
| Number of licenses/permits processed | 539         | 524         | 617         | 559         | 714         | 635         | 752         | 561         | 598         | 546         |
| Police:                              |             |             |             |             |             |             |             |             |             |             |
| Physical arrests                     | 1,463       | 1,588       | 1,531       | 1,362       | 1,215       | 1,596       | 1,480       | 1,380       | 778         | 1,063       |
| Parking violations                   | 44,100      | 45,530      | 46,759      | 50,280      | 47,272      | 38,798      | 32,711      | 27,278      | 25,152      | 27,511      |
| Traffic violations                   | 3,204       | 2,543       | 2,981       | 2,451       | 2,614       | 2,834       | 2,328       | 2,092       | 1,667       | 1,803       |
| Fire:                                |             |             |             |             |             |             |             |             |             |             |
| Number of fires                      | 137         | 150         | 107         | 126         | 89          | 116         | 80          | 82          | 117         | 93          |
| Number of ambulance assists          | 2,325       | 2,471       | 2,464       | 2,442       | 2,663       | 2,646       | 2,857       | 2,473       | 2,064       | 3,399       |
| Inspections                          | 1,058       | 1,263       | 1,205       | 1,435       | 1,074       | 831         | 501         | 582         | 322         | 535         |
| Library:                             |             |             |             |             |             |             |             |             |             |             |
| Total circulation                    | 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     | 1,043,230   |
| Library visits                       | 323,859     | 226,690     | 426,608     | 506,034     | 523,673     | 508,918     | 485,929     | 336,272     | 268,927     | 279,123     |
| Parks and recreation:                |             |             |             |             |             |             |             |             |             |             |
| Total number of participant visits   | 287,504     | 294,978     | 279,103     | 293,757     | 255,227     | 280,766     | 281,420     | 187,725     | 157,593     | 200,606     |
| Total number of activities           | 154         | 160         | 175         | 187         | 194         | 196         | 200         | 175         | 325         | 806         |
| Resource recovery:                   |             |             |             |             |             |             |             |             |             |             |
| Tons of refuse processed             | 48,244      | 27,878      | 50,035      | 41,646      | 45,598      | 37,124      | 33,173      | 33,511      | 40,040      | 40,040      |
| Tipping fee per ton                  | 52.75       | 52.75       | 52.75       | 52.75       | 52.75       | 55.00       | 55.00       | 58.75       | 58.75       | 62.50       |
| Other public works:                  |             |             |             |             |             |             |             |             |             |             |
| Blocks of streets crack sealed       | 92          | 123         | 90          | 66          | 73          | 65          | 81          | 88          | 20          | 87          |
| Blocks of streets slurry sealed      | -           | 11          | 22          | 36          | 33          | 30          | -           | -           | 56          | 37          |
| Blocks of seal coat reconstruction   | 7           | 8           | 4           | 16          | -           | 10          | 6           | -           | 4           | 4           |
| Hospital:                            |             |             |             |             |             |             |             |             |             |             |
| Total admissions                     | 8,768       | 8,289       | 8,298       | 7,867       | 8,368       | 8,510       | 8,267       | 8,230       | 8,082       | 8,355       |
| Average percent of occupancy         | 54.1%       | 52.1%       | 50.5%       | 49.3%       | 49.7%       | 50.2%       | 50.6%       | 52.1%       | 53.7%       | 54.5%       |
| Electric:                            |             |             |             |             |             |             |             |             |             |             |
| Kilowatt hours produced at plant     | 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 | 304,668,733 |
| Meters in service                    | 25,141      | 25,353      | 26,023      | 26,232      | 26,475      | 27,324      | 27,348      | 27,613      | 27,701      | 27,735      |
| Transit:                             |             |             |             |             |             |             |             |             |             |             |
| Passengers                           | 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   | 3,669,894   |
| Total miles driven                   | 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   | 1,468,962   |
| Water:                               |             |             |             |             |             |             |             |             |             |             |
| Billion gallons per year pumped      | 2.082       | 2.131       | 2.022       | 2.110       | 2.131       | 2.245       | 2.117       | 2.260       | 2.359       | 2.312       |
| Utility locates performed            | 6,247       | 6,185       | 6,615       | 8,121       | 7,383       | 7,113       | 6,932       | 7,935       | 14,152      | 8,834       |
| Water main breaks                    | 42          | 47          | 19          | 19          | 18          | 42          | 46          | 19          | 29          | 25          |
| Wastewater:                          |             |             |             |             |             |             |             |             |             |             |
| Billion gallons per year treated     | 2.093       | 1.936       | 2.389       | 2.690       | 2.427       | 2.141       | 2.706       | 2.291       | 1.849       | 2.108       |

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

| Function                        | Fiscal Year |       |       |       |       |        |        |        |        |        |
|---------------------------------|-------------|-------|-------|-------|-------|--------|--------|--------|--------|--------|
|                                 | 2013        | 2014  | 2015  | 2016  | 2017  | 2018   | 2019   | 2020   | 2021   | 2022   |
| Police:                         |             |       |       |       |       |        |        |        |        |        |
| Stations                        | 1           | 1     | 1     | 1     | 1     | 1      | 1      | 1      | 1      | 1      |
| Patrol units                    | 9           | 11    | 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           | 37          | 37    | 37    | 37    | 36    | 36     | 38     | 38     | 38     | 38     |
| Total number of park acres      | 1,224       | 1,227 | 1,227 | 1,227 | 1,223 | 1,224  | 1,230  | 1,230  | 1,230  | 1,215  |
| Total number of athletic fields | 18          | 18    | 18    | 18    | 18    | 21     | 21     | 21     | 21     | 21     |
| Other public works:             |             |       |       |       |       |        |        |        |        |        |
| Miles of streets                | 288         | 290   | 291   | 291   | 300   | 305    | 305    | 249    | 252    | 252    |
| Number of traffic signals       | 70          | 67    | 67    | 67    | 68    | 69     | 70     | 71     | 76     | 78     |
| Number of signs                 | 9,486       | 9,489 | 9,485 | 9,509 | 9,854 | 10,087 | 10,658 | 10,876 | 11,052 | 11,069 |
| Hospital:                       |             |       |       |       |       |        |        |        |        |        |
| Beds in operation               | 199         | 199   | 199   | 199   | 199   | 199    | 199    | 199    | 199    | 199    |
| Transit:                        |             |       |       |       |       |        |        |        |        |        |
| Buses owned                     | 89          | 93    | 104   | 105   | 104   | 105    | 104    | 89     | 90     | 90     |
| New buses purchased             | 2           | -     | 6     | 9     | 5     | 3      | 1      | -      | 3      | 6      |
| Water:                          |             |       |       |       |       |        |        |        |        |        |
| Miles of water mains            | 241         | 243   | 247   | 254   | 247   | 249    | 250    | 250    | 252    | 253    |
| Fire hydrants                   | 2,663       | 2,700 | 2,771 | 2,847 | 2,906 | 2,948  | 2,977  | 2,995  | 3,029  | 3,054  |
| Wells                           | 28          | 28    | 28    | 28    | 25    | 24     | 25     | 25     | 25     | 25     |
| Wastewater:                     |             |       |       |       |       |        |        |        |        |        |
| Sanitary sewer miles            | 202         | 203   | 204   | 204   | 210   | 211    | 212    | 212    | 213    | 215    |
| Stormwater miles                | 265         | 260   | 263   | 271   | 276   | 277    | 278    | 279    | 284    | 284    |

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



# 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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 2, 2023. 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.

**Report on 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 2022-001, that we consider to be a material weakness.

#### **Report on 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 certain immaterial instances 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, 2022, 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**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's responses to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

#### **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  
May 2, 2023





**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**

***Opinion on Each Major Federal Program***

We have audited the City of Ames, Iowa's, (City) compliance with the types of compliance requirements identified as subject to audit 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, 2022. 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.

In our opinion, the City complied, in all material respects, with the 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, 2022.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.



### ***Other Matter – Federal Expenditures Not Included in the Compliance Audit***

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, 2022. Our compliance audit, described in the "Opinion on Each Major Federal Program" does not include the operations of the Mary Greeley Medical Center because the Medical Center engaged other auditors to perform an audit of compliance.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

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

Dubuque, Iowa  
May 2, 2023



City of Ames, Iowa  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2022

| Federal Grantor/Pass-Through<br>Grantor/Program or Cluster Title    | Federal<br>Financial<br>Assistance<br>Listing/CFDA<br>Number | Pass-Through<br>Entity Identifying<br>Number | Federal<br>Expenditures |
|---|--|--|-------------------------|
| U.S. Department of Commerce   |  |  |                         |
| Economic Development Cluster  |  |  |                         |
| Direct program  |  |  |                         |
| Investments for Public Works and Economic<br>Development Facilities | 11.300   |  | \$ 1,295,658            |
| Pass-through Program from Iowa State University                     |  |  |                         |
| Investments for Public Works and Economic<br>Development Facilities | 11.300   | 05-01-05898                                  | 15,511                  |
| Total Economic Development Grants Cluster                           |  |  | <u>1,311,169</u>        |
| U.S. Department of Housing and Urban Development                    |  |  |                         |
| Direct program  |  |  |                         |
| CDBG - Entitlement Grants Cluster                                   |  |  |                         |
| Community Development Block Grants/Entitlement Grants               | 14.218   |  | 372,010                 |
| COVID-19 - Community Development Block<br>Grants/Entitlement Grants | 14.218   |  | <u>85,171</u>           |
| Total CDBG - Entitlement Grants Cluster                             |  |  | <u>457,181</u>          |
| Home Investment Partnership Program                                 | 14.239   |  | <u>27,503</u>           |
| Total U.S. Department of Housing and Urban Development              |  |  | <u>484,684</u>          |
| U.S. Department of Justice  |  |  |                         |
| Direct program  |  |  |                         |
| COVID-19 - Coronavirus Emergency Supplemental Funding<br>Program    | 16.034   |  | <u>1,741</u>            |
| Bulletproof Vest Partnership Program                                | 16.607   |  | <u>10,082</u>           |
| Edward Byrne Memorial Justice Assistance Grant Program              | 16.738   |  | 8,620                   |
| Edward Byrne Memorial Justice Assistance Grant Program              | 16.738   |  | <u>9,000</u>            |
|   |  |  | <u>17,620</u>           |
| Total U.S. Department of Justice                                    |  |  | <u>29,443</u>           |
| U.S. Department of Transportation                                   |  |  |                         |
| Direct program  |  |  |                         |
| Airport Improvement Program   | 20.106   |  | 25,934                  |
| Airport Improvement Program   | 20.106   |  | 348,495                 |
| COVID-19 - Airport Improvement Program                              | 20.106   |  | 40,941                  |
| COVID-19 - Airport Improvement Program                              | 20.106   |  | <u>23,000</u>           |
|   |  |  | <u>438,370</u>          |

See Notes to Schedule of Expenditures of Federal Awards

City of Ames, Iowa  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2022

| Federal Grantor/Pass-Through<br>Grantor/Program or Cluster Title                             | Federal<br>Financial<br>Assistance<br>Listing/CFDA<br>Number | Pass-Through<br>Entity Identifying<br>Number      | Federal<br>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   | 22MPO-AAMPO                                       | \$ 90,359               |
| Highway Planning and Construction  | 20.205   | STP-U-0155(690)--70-85,<br>STP-U-0155(697)--70-85 | 98,523                  |
|  |  |   | <u>188,882</u>          |
| Total Highway Planning and Construction Cluster  |  |   |                         |
| Metropolitan Transportation Planning and State<br>and Non-Metropolitan Planning and Research | 20.505   | 22MPO-AAMPO                                       | 55,223                  |
| Federal Transit Cluster  |  |   |                         |
| Direct program   |  |   |                         |
| Federal Transit - Capital Investment Grants  | 20.500   |   | 80,363                  |
| Federal Transit - Formula Grants   | 20.507   |   | 178,338                 |
| COVID-19 - Federal Transit - Formula Grants  | 20.507   |   | 902,308                 |
| COVID-19 - Federal Transit - Formula Grants  | 20.507   |   | 4,297,545               |
| COVID-19 - Federal Transit - Formula Grants  | 20.507   |   | 1,081,492               |
| Pass-through program from  |  |   |                         |
| Iowa Department of Transportation  |  |   |                         |
| Federal Transit - Formula Grants   | 20.507   | 2019-006-03-FY22                                  | 413,800                 |
| Federal Transit - Formula Grants   | 20.507   | 2019-006-02-FY20                                  | 3,180                   |
| Federal Transit - Formula Grants   | 20.507   | 2019-004-00-015-FY18                              | 383,360                 |
| Federal Transit - Formula Grants   | 20.507   | 2019-006-01-FY19                                  | 372,834                 |
| Federal Transit - Formula Grants   | 20.507   | IA-2019-004-01-FY19                               | 775,270                 |
|  |  |   | <u>8,408,127</u>        |
| Direct program   |  |   |                         |
| Bus and Bus Facilities Formula & Discretionary<br>Programs (Bus Program)                     | 20.526   |   | 17,106                  |
| Pass-through program from  |  |   |                         |
| Iowa Department of Transportation  |  |   |                         |
| Bus and Bus Facilities Formula & Discretionary<br>Programs (Bus Program)                     | 20.526   | 2019-007-01-FY19                                  | 408,789                 |
| Bus and Bus Facilities Formula & Discretionary<br>Programs (Bus Program)                     | 20.526   | 2019-008-01-FY19                                  | 548,659                 |
|  |  |   | <u>974,554</u>          |
| Total Federal Transit Cluster  |  |   | <u>9,463,044</u>        |

See Notes to Schedule of Expenditures of Federal Awards

City of Ames, Iowa  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2022

| Federal Grantor/Pass-Through<br>Grantor/Program or Cluster Title  | Federal<br>Financial<br>Assistance<br>Listing/CFDA<br>Number | Pass-Through<br>Entity Identifying<br>Number | Federal<br>Expenditures |
|---|--|--|-------------------------|
| U.S. Department of Transportation (continued)                     |  |  |                         |
| Transit Services Programs Cluster                                 |  |  |                         |
| Pass-through program from   |  |  |                         |
| Iowa Department of Transportation                                 |  |  |                         |
| Enhanced Mobility of Seniors and Individuals<br>with Disabilities | 20.513   | 2022-010-00                                  | \$ 48,254               |
| Enhanced Mobility of Seniors and Individuals<br>with Disabilities | 20.513   | 2022-008-00                                  | 76,288                  |
| Enhanced Mobility of Seniors and Individuals<br>with Disabilities | 20.513   | 2020-001-01-SFY21                            | 90,252                  |
| Enhanced Mobility of Seniors and Individuals<br>with Disabilities | 20.513   | IA-2020-001-01-FFY20-SFY21                   | 101,376                 |
| Total Transit Services Programs Cluster                           |  |  | 316,170                 |
| Direct program  |  |  |                         |
| Public Transportation Innovation                                  | 20.530   |  | 412,984                 |
| Highway Safety Cluster  |  |  |                         |
| Pass-through program from   |  |  |                         |
| Iowa Department of Public Safety                                  |  |  |                         |
| State and Community Highway Safety                                | 20.600   | PAP 21-402-M0AL<br>Task 01-00-00             | 7,432                   |
| State and Community Highway Safety                                | 20.600   | PAP 22-402-M0PT<br>Task 01-00-00             | 12,149                  |
|   |  |  | 19,581                  |
| National Priority Safety Programs                                 | 20.616   | PAP 21-405b-M1HVE<br>Task 01-00-00           | 1,439                   |
| National Priority Safety Programs                                 | 20.616   | PAP 22-405d-M6OT<br>Task 01-00-00            | 6,347                   |
| National Priority Safety Programs                                 | 20.616   | PAP 22-405b-M1HVE<br>Task 01-00-00           | 1,806                   |
|   |  |  | 9,592                   |
| Total Highway Safety Cluster                                      |  |  | 29,173                  |
| Total U.S. Department of Transportation                           |  |  | 10,903,846              |
| U.S. Department of the Treasury                                   |  |  |                         |
| Direct Program  |  |  |                         |
| COVID-19 -Coronavirus State and Local Fiscal Recovery Funds       | 21.027   |  | 10,250,245              |

See Notes to Schedule of Expenditures of Federal Awards

City of Ames, Iowa  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2022

| Federal Grantor/Pass-Through<br>Grantor/Program or Cluster Title | Federal<br>Financial<br>Assistance<br>Listing/CFDA<br>Number | Pass-Through<br>Entity Identifying<br>Number | Federal<br>Expenditures |
|--|--|--|-------------------------|
| National Endowment for the Humanities (NEH)                      |  |  |                         |
| Pass-through program from  |  |  |                         |
| Iowa Department of Cultural Affairs                              |  |  |                         |
| Promotion of the Arts Partnership Agreements                     | 45.025   | 202210-11179                                 | \$ 3,500                |
| Iowa Department of Education                                     |  |  |                         |
| Grants to States   | 45.310   | ARPA 2021 305                                | 5,000                   |
| Total National Endowment for the Humanities (NEH)                |  |  | 8,500                   |
| U.S. Department of Health and Human Services                     |  |  |                         |
| Pass-through program from  |  |  |                         |
| Iowa Department of Public Health                                 |  |  |                         |
| Immunization Cooperative Agreements                              | 93.268   | 5889I480                                     | 1,080                   |
| Iowa Developmental Disabilities Council                          |  |  |                         |
| Developmental Disabilities Basic Support and<br>Advocacy Grants  | 93.630   | Iowa DOT Special<br>Project SFY-21           | 18,000                  |
| Total U.S. Department of Health and Human Services               |  |  | 19,080                  |
| U.S. Department of Homeland Security                             |  |  |                         |
| Pass-through program from  |  |  |                         |
| Iowa Department of Homeland Security                             |  |  |                         |
| Disaster Grants - Public Assistance                              |  |  |                         |
| (Presidentially Declared Disasters)                              | 97.036   | 4557DR-IA, #163137                           | 772,641                 |
| Disaster Grants - Public Assistance                              |  |  |                         |
| (Presidentially Declared Disasters)                              | 97.036   | 4557DR-IA, #163508                           | 1,454                   |
| Disaster Grants - Public Assistance                              |  |  |                         |
| (Presidentially Declared Disasters)                              | 97.036   | 4557DR-IA, #164257                           | 13,025                  |
| Disaster Grants - Public Assistance                              |  |  |                         |
| (Presidentially Declared Disasters)                              | 97.036   | 4557DR-IA, #163506                           | 3,750                   |
| Disaster Grants - Public Assistance                              |  |  |                         |
| (Presidentially Declared Disasters)                              | 97.036   | 4557DR-IA, #164259                           | 330,042                 |
| Disaster Grants - Public Assistance                              |  |  |                         |
| (Presidentially Declared Disasters)                              | 97.036   | 4557DR-IA, #177417                           | 34,516                  |
| Disaster Grants - Public Assistance                              |  |  |                         |
| (Presidentially Declared Disasters)                              | 97.036   | 4557DR-IA, #164261                           | 2,053                   |
| Disaster Grants - Public Assistance                              |  |  |                         |
| (Presidentially Declared Disasters)                              | 97.036   | 4557DR-IA, #164258                           | 425,053                 |
| Disaster Grants - Public Assistance                              |  |  |                         |
| (Presidentially Declared Disasters)                              | 97.036   | 4557DR-IA, #334393                           | 89,934                  |
|  |  |  | 1,672,468               |
| Pre-Disaster Mitigation  | 97.047   | PDMC-2018--011                               | 3,122,601               |
| Total U.S. Department of Homeland Security                       |  |  | 4,795,069               |
| Total Federal Financial Assistance                               |  |  | \$ 27,802,036           |

See Notes to Schedule of Expenditures of Federal Awards



**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, 2022. 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, 2022.

**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<br>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<br>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<br>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> |
|--|--------------------|
| 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             |
| COVID-19 -Coronavirus State and Local Fiscal Recovery Funds                | 21.027             |
| Disaster Grants - Public Assistance (Presidentially Declared Disasters)    | 97.036             |
| Pre-Disaster Mitigation  | 97.047             |
| Dollar threshold used to distinguish<br>between Type A and Type B programs | \$834,061          |
| Auditee qualified as low-risk auditee                                      | No                 |



## Part II: Findings Related to the Financial Statements

### 2022-001 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 capital assets 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**

**2022-IA-A Certified Budget:** Disbursements during year ended June 30, 2022 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.

**2022-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.

**2022-IA-C Travel Expense:** No expenditures of City money for travel expenses of spouses of City officials or employees were noted.

**2022-IA-D Business Transactions:** Business transactions between the City and City officials or employees are detailed as follows:

| Name, Title, and<br>Business Connection                                 | Transaction Description | Amount     |
|---|-------------------------|------------|
| Dan Schmidt, Employee, Father is owner of Ames Trenching and Excavating | Services                | \$ 321,426 |
| Dan Walter, Employee, is owner of Go Green Environmental Services       | Services                | 4,138      |
| Ryan Cable, Employee, Father is owner of Cable Plumbing, Inc.           | Services                | 156        |

In accordance with Chapter 362.5(3)(j) of the Code of Iowa, the transactions with Dan Walter and Ryan Cable do not appear to represent conflict of interest since the total transaction was less than \$6,000 during the fiscal year. The transactions with Ames Trenching may represent conflicts of interest since they may not all have been entered into through competitive bidding in accordance with Chapter 362.5(3)(d) of the Code of Iowa.

**2022-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.

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

**2022-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.

**2022-IA-G Council Minutes:** No transactions were found that we believe should have been approved in the Council minutes but were not.

**2022-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.

**2022-IA-I Revenue Bonds:** No instances of noncompliance with the provisions of the City's revenue bond resolutions were noted.

**2022-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. However, we noted an instance in which TIF debt balances did not reconcile with City records.

**Recommendation** – The City should implement additional preparation and review procedures relating to the Annual Urban Renewal Report.

**Views of Responsible Officials** – We agree with the auditor's comments.

**2022-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.