

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

**CITY OF AMES, IOWA**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2024**



*Celebrating  
our past*



CITY OF  
**Ames**<sup>TM</sup>

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

**CITY OF AMES, IOWA**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2024**



## ***We're celebrating, and we want everyone to know it!***

It's been a whirlwind few years, packed with anniversaries and achievements that remind us about the amazing community that is Ames! Whether it's the timeless tunes of the Ames Municipal Band hitting the century mark or the shade-filled memories of Brookside Park's upcoming 100th in 2025, there's plenty to cheer about.

Did you know that Inis Grove and Emma McCarthy Lee Parks turned 75 this year? These gems continue to be the go-to nature space for everything from sunny summer picnics to action-packed pickleball showdowns. Meanwhile, our Water Pollution Control Facility celebrated its 35th birthday, proving that even wastewater can have a glow-up. And Old Town Park, always a charmer, marked its 40th year. Plus, the Ames Human Relations Commission hit the big 5-0. That's a half a century of fostering connection and understanding!

Looking ahead to 2025, the spotlight will shine on Ames City Hall's 35 years in its current home (formerly Ames High School). It's a big anniversary for the Arnold O. Chantland Resource Recovery System, which hits the half-century mark. The facility continues to shift its focus from energy production to waste reduction. It's all reduce, reuse, recycle! Also, let's not forget River Valley Park and Nutty Woods, each celebrating six decades of outdoor adventure.

Some milestones sneak up on you, like this year's 20th anniversary of Ada Hayden Heritage Park (dedicated Aug. 28, 2004). Can you believe we've had 15 years of splash-tacular fun at Furman Aquatic Center (opened on May 29, 2010)? Also, we're celebrating a decade since the Ames Public Library's shiny new addition (ribbon-cutting on Sept. 14, 2014). This is on top of the entire Library celebrating 120 years. Time flies when you're having fun, right?

Even our drop-off recycling center—just a baby at one year old—deserves a shoutout. What started as a grassroots effort and a limited pilot project now diverts paper, plastic, metal, cardboard, clothing, and food waste from the landfill. Talk about a birthday with impact!

This is the time to toast some of Ames' most incredible milestones. These anniversaries are more than numbers; they're a testament to Ames' spirit and resilience. By celebrating our past, we strengthen our present and dream big for the future. So, here's to us! We are a community worth celebrating over and over again.

**CITY OF AMES, IOWA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2024**

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**

## INTRODUCTORY SECTION

Letter of Transmittal .....	1
GFOA Certificate of Achievement for Excellence in Financial Reporting .....	5
Organizational Chart .....	6
List of Elected and Appointed Officials .....	7

## FINANCIAL SECTION

Independent Auditor's Report .....	11
Management's Discussion and Analysis .....	15

### Basic Financial Statements:

#### Government-Wide Financial Statements:

Statement of Net Position .....	28
Statement of Activities .....	30

#### Fund Financial Statements:

Balance Sheet – Governmental Funds .....	31
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position .....	32
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds .....	33
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	34
Statement of Net Position – Proprietary Funds .....	35
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds .....	37
Statement of Cash Flows – Proprietary Funds .....	38
Statement of Fiduciary Net Position .....	40
Statement of Changes in Fiduciary Net Position .....	41

Notes to the Financial Statements .....	42
---	----

### Required Supplementary Information:

Schedule of the City's Proportionate Share of the Net Pension Liability (Asset) – Iowa Public Employees' Retirement System .....	98
Schedule of City Contributions – Iowa Public Employees' Retirement System .....	99
Schedule of the City's Proportionate Share of the Net Pension Liability (Asset) – Municipal Fire and Police Retirement System of Iowa .....	100
Schedule of City Contributions – Municipal Fire and Police Retirement System of Iowa .....	101
Schedule of Changes in Total OPEB Liability and Related Ratios .....	102
Budgetary Comparison Schedule – Governmental and Proprietary Funds .....	104
Budgetary Comparison Schedule – Budget to GAAP Reconciliation .....	105
Notes to the Required Supplementary Information .....	106

### Combining Fund Financial Statements and Schedules:

Combining Balance Sheet – Non-Major Governmental Funds .....	112
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Governmental Funds .....	113
Combining Balance Sheet – Non-Major Special Revenue Funds .....	114

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Special Revenue Funds.....	116
Combining Statement of Net Position – Non-Major Enterprise Funds .....	119
Combining Statement of Revenues, Expenses, and Changes in Net Position – Non-Major Enterprise Funds .....	121
Combining Statement of Cash Flows – Non-Major Enterprise Funds .....	122
Combining Statement of Net Position – Internal Service Funds .....	125
Combining Statement of Revenues, Expenses, and Changes in Net Position – Internal Service Funds .....	126
Combining Statement of Cash Flows – Internal Service Funds .....	127

## STATISTICAL SECTION

### Financial Trends:

Net Position by Component.....	131
Changes in Net Position.....	132
Fund Balances of Governmental Funds.....	135
Changes in Fund Balances of Governmental Funds.....	136

### Revenue Capacity:

Assessed and Estimated Actual Value of Taxable Property .....	137
Property Tax Rates – Direct and Overlapping Governments .....	138
Principal Property Taxpayers.....	139
Property Tax Levies and Collections.....	140

### Debt Capacity:

Ratios of Outstanding Debt by Type .....	141
Ratios of General Bonded Debt Outstanding.....	142
Direct and Overlapping Governmental Activities Debt.....	143
Legal Debt Margin.....	144
Pledged-Revenue Coverage .....	145

### Demographic and Economic Information:

Demographic and Economic Statistics .....	147
Principal Employers.....	148

### Operating Information:

Full-Time Equivalent Employees by Function .....	149
Operating Indicators by Function .....	150
Capital Asset Statistics by Function .....	151

## 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 <i>Government Auditing Standards</i> .....	155
---	-----

### Independent Auditor's Report on Compliance for Each Major Federal Program and

Report on Internal Control Over Compliance Required by the Uniform Guidance .....	157
---	-----

Schedule of Expenditures of Federal Awards.....	160
---	-----

Notes to the Schedule of Expenditures of Federal Awards .....	164
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Schedule of Findings and Questioned Costs.....	165
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# INTRODUCTORY SECTION



1990-2025  
AMES CITY HALL

**35**  
YEARS



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January 29, 2025

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, 2024, 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, 2024. 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 1.2 Reporting entity).

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 April 30 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 Ames Area Metropolitan Statistical Area (MSA) has seen steady growth over the years, with its unemployment rate reflecting the overall economic stability of the region. Historically, the area has maintained lower unemployment rates compared to state and national averages. This is largely due to its diverse economy, including a strong presence of Iowa State University, which provides employment in education, research, and development. In recent years, the unemployment rate in Ames has generally been below 3%, even during economic downturns, demonstrating resilience and an adaptive labor market.

Per capita income in the Ames MSA has experienced significant growth, driven by an increase in both educational attainment and the number of high-paying jobs, particularly in research, technology, and higher education sectors. Historically, Ames has had a higher per capita income than the state of Iowa as a whole, due to the influence of Iowa State University, which attracts skilled professionals and researchers. In recent years, this trend has continued, with per capita income outpacing both state and national averages. As of the latest data, per capita income in Ames has grown steadily, with a noticeable increase in tech-related fields and professional services.

Gross Domestic Product (GDP) for the Ames MSA has also shown a positive trajectory. The region's GDP growth reflects the economic diversification in the area, which includes agriculture, education, and research-based industries. Over the past few decades, the Ames economy has evolved from primarily agricultural to a more knowledge-based economy, bolstered by university-driven innovation. The region has seen GDP growth rates that align with broader state trends, with significant annual growth reported in sectors like research and technology. Historically, Ames' GDP growth has been driven by its educational and technological industries, with a marked increase in innovation-driven sectors like life sciences, engineering, and data analytics.

When comparing these economic indicators to historical trends, Ames has proven to be a stable and growing region. The lower unemployment rates, consistent rise in per capita income, and GDP growth show that the Ames MSA has successfully diversified its economy over time. The presence of Iowa State University continues to play a central role in driving economic growth and maintaining high levels of educational attainment, which supports a high-income, skilled workforce. This positions Ames as one of the stronger and more resilient MSAs in Iowa, with continued potential for growth in tech, education, and research-driven industries.

### ***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. The City successfully contracted for the improvements and entered into a loan agreement with the Iowa Clean Water Revolving Loan Program in an amount not-to-exceed approximately \$65 million. To accomplish funds for these improvements, staff expects to increase rates on an annual basis over at least the next five years. The financial condition of the utility is expected to be continually evaluated to ensure financial viability.

The City has been evaluating the conversion of the Resource Recovery System into a new model where refuse-derived fuel is no longer produced for the Power Plant. Staff has consulted with several different potential landfill partners and has developed preliminary financial modeling for the construction and operation of a solid waste and recycling transfer station. This facility would receive solid waste and recyclables separately, remove additional recyclable metals from the solid waste stream, and then transport compacted loads of solid waste to a landfill. Recyclable materials would be consolidated and transported to recyclers. The goal is to have a new facility operational by July 2027.

As part of the City's capital planning process the City Council has identified five major initiatives: a new animal control shelter, the relocation of fire station #2, development of Ontario Park, construction of a new indoor recreation facility and the construction of a fire station #4. While staff has estimated the costs for these capital priorities, the City Council is still evaluating the phasing and funding strategies associated with each of these projects.

### ***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 Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Ames for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023. This was the second consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement

Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The City received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning July 1, 2024. To qualify for this award, the City's budget document must be judged proficient as a policy document, an operations guide, a financial plan, and a communication device. This was the 39th 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 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

A handwritten signature in dark ink, reading "Steven L. Schainker". The signature is written in a cursive style with a large, stylized 'S'.

Corey Goodenow  
Director of Finance

A handwritten signature in dark ink, reading "Corey Goodenow". The signature is written in a cursive style with a large, stylized 'C'.



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Ames  
Iowa**

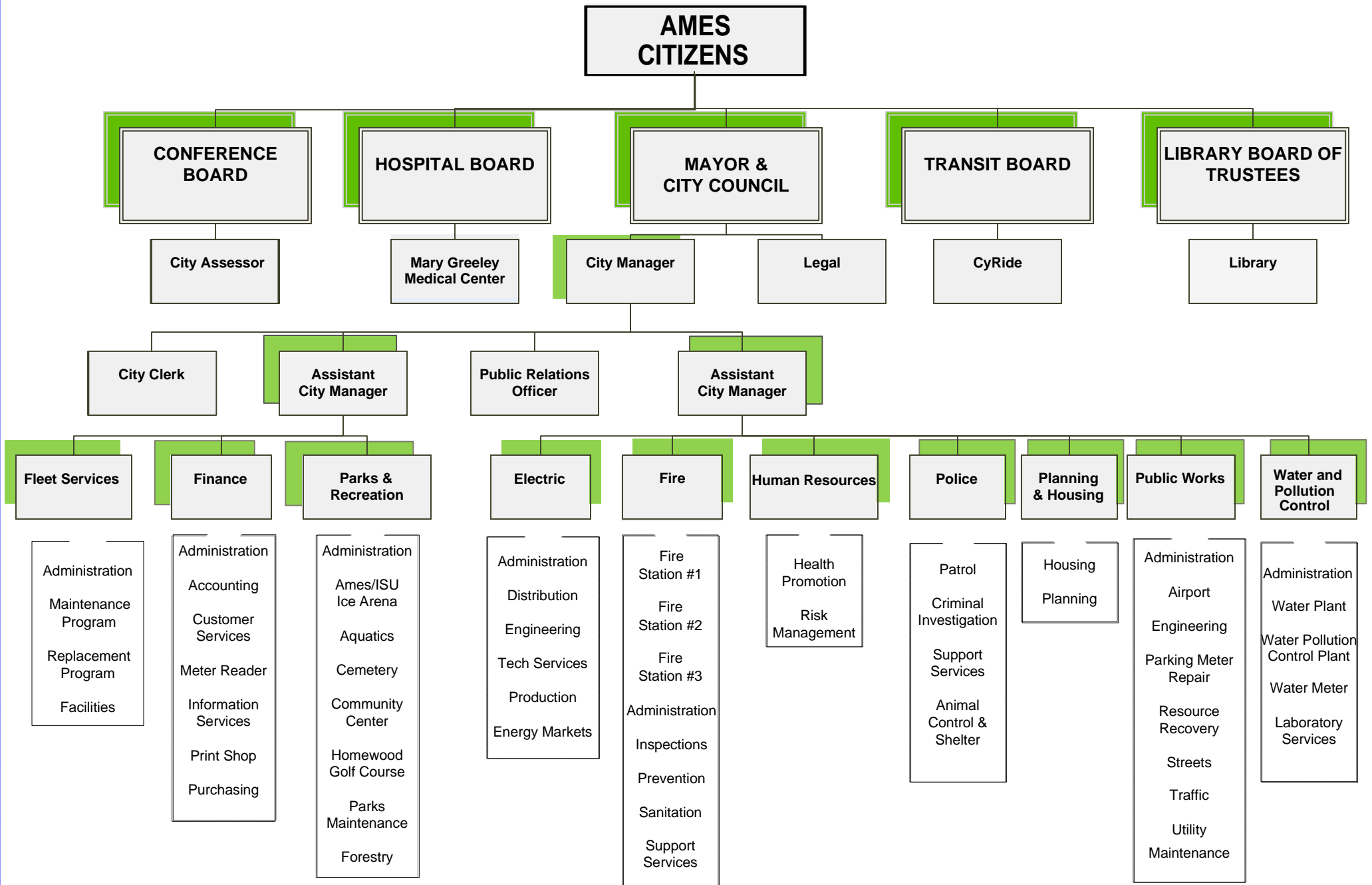
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

*Christopher P. Morill*

Executive Director/CEO

CITY OF AMES, IOWA  
ORGANIZATIONAL CHART  
JUNE 30, 2024



CITY OF AMES, IOWA  
LIST OF ELECTED AND APPOINTED OFFICIALS  
FOR THE YEAR ENDED JUNE 30, 2024

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Elected Officials:

Mayor	John Haila
Council Member – Ward 1	Bronwyn Beatty-Hansen
Council Member – Ward 2	Tim Gartin
Council Member – Ward 3	Gloria J. Betcher
Council Member – Ward 4	Rachel Junck
Council Member – At Large	Anita Rollins
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
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City Manager-Appointed Officials:

Assistant City Manager	Pa Goldbeck
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



1989-2024  
WATER POLLUTION  
CONTROL FACILITY

**35**  
**YEARS**



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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, 2024, 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, 2024, 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 65 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.

### ***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, Schedule of the City's Proportionate Share of the Net Pension Liability (Asset) – Iowa Public Employees' Retirement System, Schedule of City Contributions - Iowa Public Employees' Retirement System, Schedule of the City's Proportionate Share of the Net Pension Liability (Asset) – Municipal Fire and Police Retirement System of Iowa, Schedule of City Contributions - Municipal Fire and Police Retirement System of Iowa, Schedule of Changes in Total OPEB Liability and Related Ratios, Budgetary Comparison Schedule – Governmental and Proprietary Funds, Budgetary Comparison Schedule – Budget to GAAP Reconciliation and Notes to the Required Supplementary Information as 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 GAAS. 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 basic 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 January 28, 2025 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  
January 28, 2025

## 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, 2024. 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 1-4 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 \$1,153,123,993 (*net position*). Of this amount, \$591,066,468 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 \$68,327,765, most of which was attributable to business-type activities, including \$36,140,482 for the Mary Greeley Medical Center.
- As of the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$82,831,534, an increase of \$3,999,757 in comparison with the prior year's balance. 18.42% of this amount (\$15,259,758) 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 \$16,845,611, or 45.17% of total General Fund expenditures.
- The City's total long-term outstanding debt decreased by \$105,734 during the current fiscal year.
- Within the City's business-type activities, revenues exceeded expenses by \$52,276,145. The City policy is to set rates that fund operational expenses of business-type activities and most capital improvements. The majority of the increase in net position represents Mary Greeley's net patient service revenue increase of \$24.288 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 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 28-30 of this report.

**Fund Financial Statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the City can be divided into two categories: governmental funds and proprietary funds.

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

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

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

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

The basic governmental fund financial statements can be found on pages 31-34 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 seven 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 35-39 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, a custodial fund reporting resources held by the City in a custodial capacity for the City Assessor.

The basic custodial fund financial statements can be found on page 40-41 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 42-95 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 98-107 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 112-128 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 \$1,153,123,993 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.

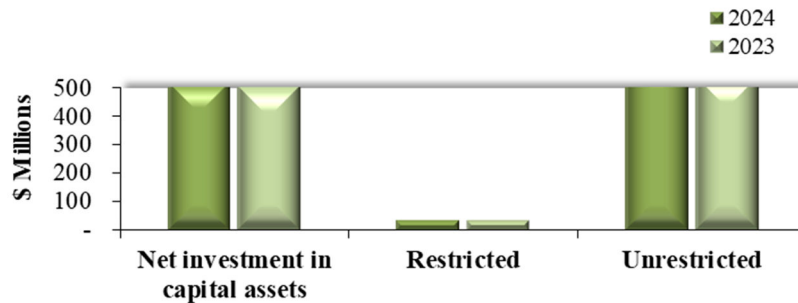
Net Position						
	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 145,221,037	\$ 139,853,431	\$ 649,677,364	\$ 606,775,103	\$ 794,898,401	\$ 746,628,534
Net capital assets	226,814,563	214,483,440	504,185,827	499,992,533	731,000,390	714,475,973
Total assets	372,035,600	354,336,871	1,153,863,191	1,106,767,636	1,525,898,791	1,461,104,507
Deferred outflows of resources	9,165,546	5,686,420	30,052,629	21,811,776	39,218,175	27,498,196
Long-term liabilities outstanding	101,122,403	95,146,434	225,642,039	216,908,819	326,764,442	312,055,253
Other liabilities	7,451,198	8,863,871	35,200,852	34,307,622	42,652,050	43,171,493
Total liabilities	108,573,601	104,010,305	260,842,891	251,216,441	369,416,492	355,226,746
Deferred inflows of resources	37,535,564	37,280,936	4,732,606	11,298,793	42,268,170	48,579,729
Net position:						
Net investment in capital assets						
assets	175,545,873	164,358,181	348,355,842	344,255,162	523,901,715	508,613,343
Restricted	34,641,621	33,350,851	3,514,189	2,694,534	38,155,810	36,045,385
Unrestricted	24,596,176	21,023,018	566,470,292	519,114,482	591,066,468	540,137,500
Total net position	\$ 234,783,670	\$ 218,732,050	\$ 918,340,323	\$ 866,064,178	\$ 1,153,123,993	\$ 1,084,796,228

The largest portion of the City's net position (45.43%) 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.

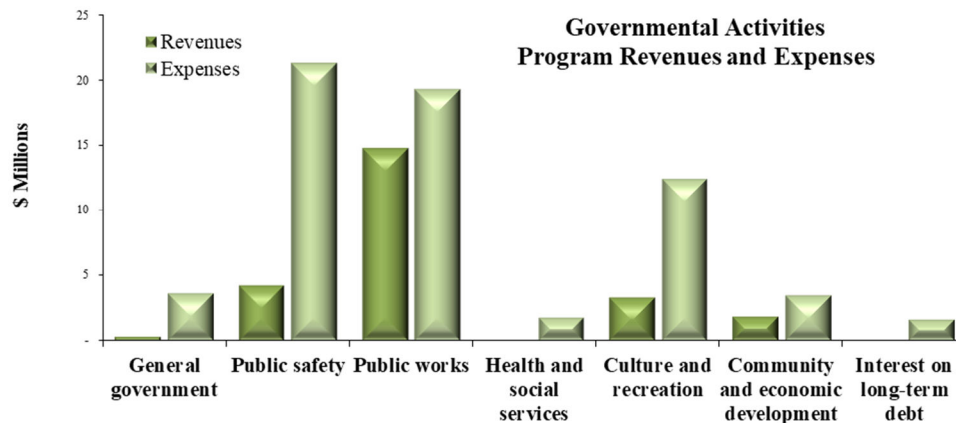
An additional portion of the City's net position (\$38,155,810 or 3.31%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$591,066,468 is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City can 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 shows the components of net position for the years ended June 30, 2024 and 2023:



**Governmental Activities.** During the current fiscal year, net position for governmental activities increased \$16,051,620 for an ending balance of \$234,783,670. Taxes are the largest source of governmental revenue with property taxes of \$36,155,078 and local option sales taxes of \$12,033,283 in 2024.

Governmental activity expenses decreased \$2,820,321 from 2023, or (4.24%). The following chart shows the expenses and related program revenues for the functions of governmental activities:

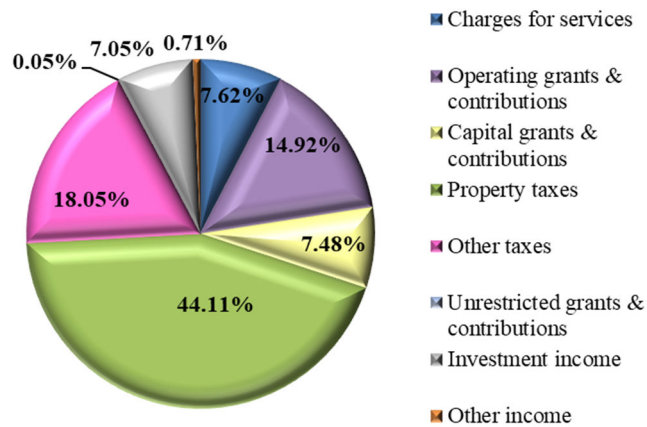


CITY OF AMES, IOWA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)  
FOR THE YEAR ENDED JUNE 30, 2024

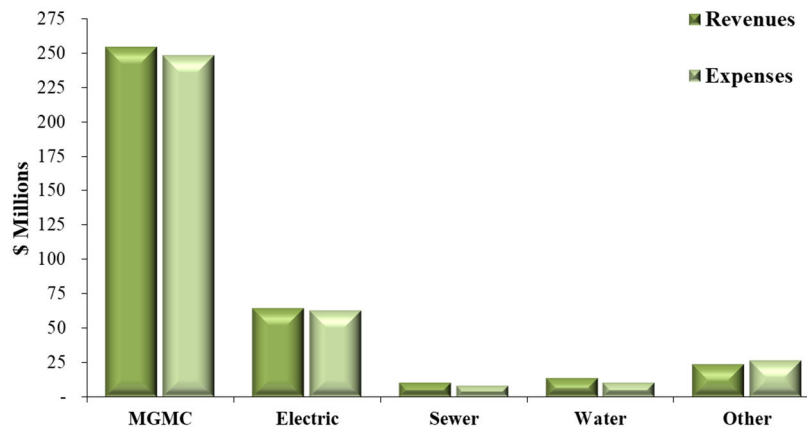
**CITY OF AMES**  
**CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues						
Charges for services	\$ 6,247,445	\$ 5,918,928	\$ 359,150,750	\$ 338,256,726	\$ 365,398,195	\$ 344,175,654
Operating grants & contributions	12,231,556	13,483,090	5,870,307	7,233,367	18,101,863	20,716,457
Capital grants & contributions	6,132,438	6,698,533	3,470,229	14,010,493	9,602,667	20,709,026
General revenues						
Property taxes	36,155,078	35,258,374	-	-	36,155,078	35,258,374
Other taxes	14,795,568	14,391,539	-	-	14,795,568	14,391,539
Unrestricted grants & contributions	42,236	5,203	-	-	42,236	5,203
Investment earnings	5,775,114	2,068,855	36,730,482	22,739,276	42,505,596	24,808,131
Other	577,894	4,391,044	1,365,433	4,254,898	1,943,327	8,645,942
Total revenues	81,957,329	82,215,566	406,587,201	386,494,760	488,544,530	468,710,326
Expenses:						
General government	3,678,591	4,195,286	-	-	3,678,591	4,195,286
Public safety	21,310,211	19,606,339	-	-	21,310,211	19,606,339
Public works	19,310,601	23,486,400	-	-	19,310,601	23,486,400
Health & social services	1,812,403	1,688,515	-	-	1,812,403	1,688,515
Culture & recreation	12,415,577	11,819,080	-	-	12,415,577	11,819,080
Community & economic development	3,489,478	4,364,534	-	-	3,489,478	4,364,534
Interest on long-term debt	1,610,636	1,287,664	-	-	1,610,636	1,287,664
Mary Greeley Medical Center	-	-	247,769,583	232,168,581	247,769,583	232,168,581
Electric	-	-	63,181,563	66,344,987	63,181,563	66,344,987
Sewer	-	-	8,237,076	8,938,924	8,237,076	8,938,924
Water	-	-	10,705,954	12,296,648	10,705,954	12,296,648
Airport	-	-	799,305	682,709	799,305	682,709
Parking	-	-	840,459	825,546	840,459	825,546
Transit	-	-	17,182,937	15,344,049	17,182,937	15,344,049
Stormwater	-	-	1,606,163	1,397,657	1,606,163	1,397,657
Ames/ISU Ice Arena	-	-	762,662	596,755	762,662	596,755
Homewood Golf Course	-	-	330,949	281,547	330,949	281,547
Resource Recovery	-	-	5,172,617	5,209,331	5,172,617	5,209,331
Total expenses	63,627,497	66,447,818	356,589,268	344,086,734	420,216,765	410,534,552
Increase in net position before transfers	18,329,832	15,767,748	49,997,933	42,408,026	68,327,765	58,175,774
Transfers	(2,278,212)	(409,629)	2,278,212	409,629	-	-
Increase in net position	16,051,620	15,358,119	52,276,145	42,817,655	68,327,765	58,175,774
Net position, beginning	218,732,050	203,373,931	866,064,178	823,246,523	1,084,796,228	1,026,620,454
Net position, ending	\$ 234,783,670	\$ 218,732,050	\$ 918,340,323	\$ 866,064,178	\$ 1,153,123,993	\$ 1,084,796,228

The following chart shows revenues by source for governmental activities:



**Business-Type Activities.** The net position for business-type activities increased by \$52,276,145, from 2023. A large portion of this increase is attributable to the hospital's depreciable capital assets increasing \$15,869,354 and fair market investment adjustments being positive for fiscal year 2024. 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. 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 purposes by the City Council.

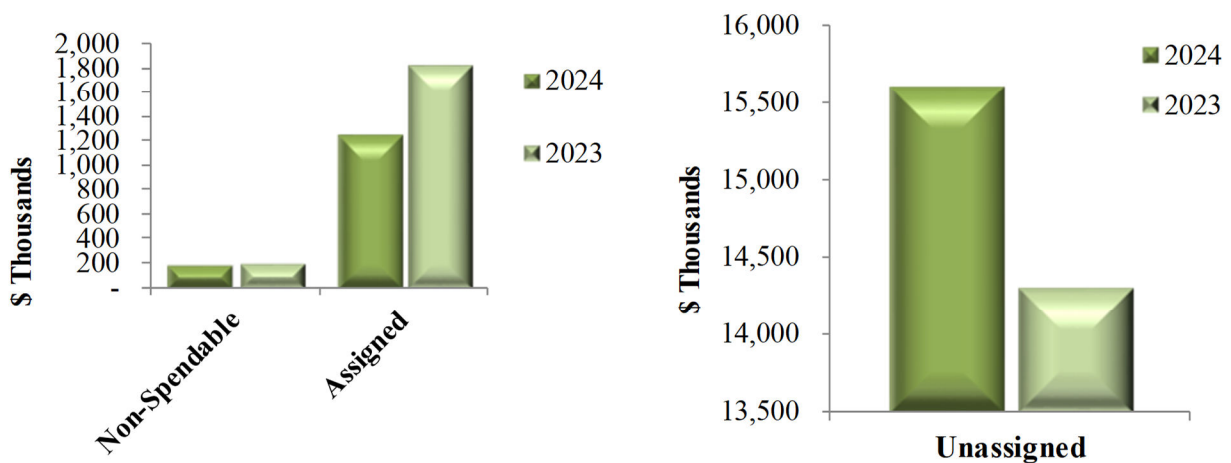
The City's governmental funds reported combined fund balances of \$82,831,534 at June 30, 2024, an increase of \$3,999,757 from the prior year. 18.42% of this amount (\$15,259,758) constitutes *unassigned fund balance*, which is available for spending at the City's discretion. The remainder of the fund balance is either *non-spendable*, *restricted*, *committed*, or *assigned* to indicate that it is 1) not in spendable form (\$439,554); 2) legally required to be maintained intact (\$2,109,260); 3) restricted for purposes (\$54,463,867); 4) committed for purposes (\$9,320,586); or 5) assigned for purposes (\$1,238,509).

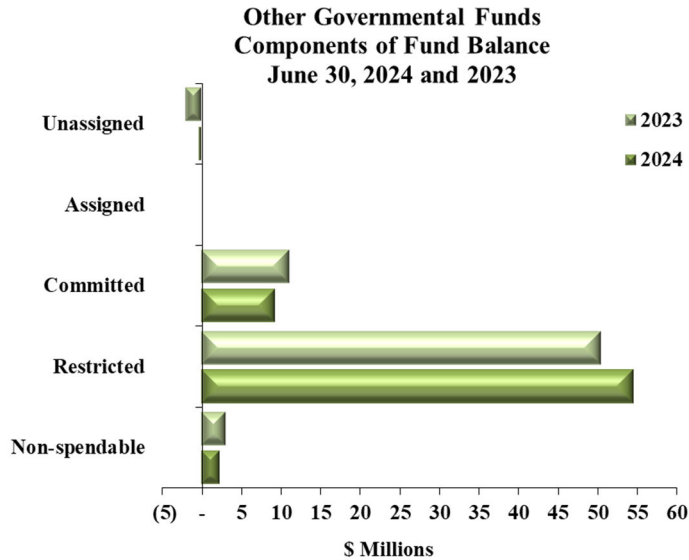
The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$15,607,102, while total fund balance increased by \$706,024 to \$17,045,839. The ending fund balance is 45.70% of the fiscal year expenditures, exceeding the City's goal of 20% of expenditures.

The Capital Projects Fund had an increase of \$2,427,455 in fund balance during the fiscal year, which put the overall fund balance at \$26,566,026. Some of the capital projects for the year included CyRide fleet vehicles, water system/plant improvements, sanitary sewer improvements, as well as annual street maintenance and improvement.

The fund balance in the Debt Service Fund is \$3,870,709 at the end of the fiscal year, an increase of \$1,517,969 from the prior year.

**Components of Fund Balance  
General Fund**





**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, 2024, totaled \$905,289,678, of which 61.13% (\$553,419,647) is unrestricted. This is a \$51,795,357, or 6.07%, increase in net position from last fiscal year's balance. The net position of the internal service funds is \$39,770,118, a \$4,788,096 increase in net position. Unrestricted net position accounts for \$27,690,309 (69.63%) of the total internal service fund net position balance.

Charges for services for the internal service funds increased 7.39% over the prior year.

### General Fund Budgetary Highlights

**Original Budget Compared to Final Budget.** There were three amendments to the City's 2024 budget. The first amendment was approved in September 2023, primarily to reflect carryovers of capital project expenditures from the prior year. The second & third amendments were approved in April & May of 2024 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 2023 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, 2024, amounts to \$731,000,390 (net of accumulated depreciation and amortization), an increase of \$16,524,417 from prior year capital assets. The investment in capital assets includes land, buildings, infrastructure, plant and distribution systems, machinery, equipment, subscription-based information technology arrangements, and lease assets.

CITY OF AMES, IOWA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)  
FOR THE YEAR ENDED JUNE 30, 2024

Some of the major capital asset additions include:

- \$10.1 million in sanitary sewer improvements
- \$6.4 million in parks and recreations
- \$10.4 million in water line systems
- \$2.5 million in traffic system improvements
- \$11.8 million in street network improvements

Additional information on the City's capital assets can be found in Note 4 - Detailed notes on all activities and funds, Capital assets on pages 58-59 of this report. The following shows capital assets, net of accumulated depreciation.

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 17,284,601	\$ 16,137,769	\$ 16,116,650	\$ 17,030,519	\$ 33,401,251	\$ 33,168,288
Other non-depreciable/non-amortizable assets	640,326	632,826	-	-	640,326	632,826
Depreciable/amortizable assets	193,512,103	166,390,733	454,404,226	445,744,435	647,916,329	612,135,168
Construction in progress	15,377,533	31,322,112	33,664,951	37,217,579	49,042,484	68,539,691
Total	<u>\$ 226,814,563</u>	<u>\$ 214,483,440</u>	<u>\$ 504,185,827</u>	<u>\$ 499,992,533</u>	<u>\$ 731,000,390</u>	<u>\$ 714,475,973</u>

**Long-term Debt.** At the end of the current fiscal year, the City had \$159,885,791 in outstanding bonded debt, as shown in the following chart. Of this amount, \$73,084,244 is debt backed by the full faith and credit of the government and \$86,801,547 is revenue bonds issued by proprietary funds.

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
General obligation bonds, net	\$ 70,875,498	\$ 68,682,219	\$ 2,208,746	\$ 2,903,734	\$ 73,084,244	\$ 71,585,953
Revenue bonds	-	-	86,801,547	94,335,613	86,801,547	94,335,613
Loans payable	-	-	66,806,214	60,876,173	66,806,214	60,876,173
Total	<u>\$ 70,875,498</u>	<u>\$ 68,682,219</u>	<u>\$ 155,816,507</u>	<u>\$ 158,115,520</u>	<u>\$ 226,692,005</u>	<u>\$ 226,797,739</u>

The City's total debt decreased by \$105,734 (-0.05%) 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, 2022, related to the 2023-2024 fiscal year. The current debt limitation for the City is \$277,058,572. 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 4 - Detailed notes on all activities and funds, Long-term obligations on pages 81-88 of this report.

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

The following economic factors were considered in developing the fiscal year 2024 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. Largely supported by several large institutions.
- A 7% increase in sewer rates generally to support improvements to the City's Water Pollution Control Facility, required by the Iowa Nutrient Reduction Strategy.
- No change 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 20% increase in tipping fees for the Resource Recovery Utility in an effort to maintain the utility's financial condition in the face of decreased sales of refuse-derived fuel (RDF) to the City's Electric Utility.
- In 2025, the City undertook a rate analysis to determine the appropriate rate structure for the City's Electric Utility. While the rate structure changed, the rate change is not expected to result in any increased metered revenue for the utility.
- A decrease in property tax rate from \$10.20 to \$10.09 per \$1,000 of taxable valuation. The decreased rate was primarily due to the significant valuation increases to existing residential properties.
- A modest increase of \$61,702 in the amount of the City's support for transit to continue existing service levels and minimize the impact on ISU student fee support.
- The City added three additional positions: a new communications specialist in the city manager's office, a maintenance mechanic position at Cy-ride, and an additional firefighter. The City also reduced two positions: a half-time principal clerk in the City Manager's Office and a half-time Principal Clerk in Fleet Services.
- An 8.0% increase in health insurance costs due to increases in claim activity and cost for prescription drugs and stop-loss coverage. The City entered into an agreement with a new Pharmacy Benefit Manager in an attempt to reduce the City's total prescription drug costs.
- Estimated 16.5% 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.

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# BASIC FINANCIAL STATEMENTS



1904-2024

AMES PUBLIC  
LIBRARY

120  
YEARS



CITY OF AMES, IOWA  
STATEMENT OF NET POSITION  
JUNE 30, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 21,165,108	\$ 27,824,747	\$ 48,989,855	\$ 320,339
Investments	86,917,224	104,870,625	191,787,849	-
Taxes receivable	86,395	-	86,395	-
Special assessments receivable	227,052	-	227,052	-
Accrued interest receivable	370,242	616,668	986,910	-
Accounts receivable, net	416,977	55,176,998	55,593,975	-
Lease receivable	4,043	1,178,943	1,182,986	-
Pledges receivable, net	-	-	-	153,572
Intergovernmental receivable	6,528,141	3,386,215	9,914,356	-
Loans receivable	922	-	922	-
Internal balances	(9,025,280)	9,025,280	-	-
Inventories	327,837	11,664,025	11,991,862	-
Assets held for resale	808,136	-	808,136	-
Prepaid items	362,980	4,312,169	4,675,149	-
Restricted current assets:				
Cash and cash equivalents	-	2,188,667	2,188,667	-
Investments	-	1,291,963	1,291,963	-
Accrued interest receivable	-	25,641	25,641	-
Total current assets	108,189,777	221,561,941	329,751,718	473,911
Non-current assets:				
Investments	-	13,502,777	13,502,777	17,833,163
Succeeding year taxes receivable	35,963,162	-	35,963,162	-
Long-term loans receivable	311	-	311	-
Long-term special assessments receivable	607,700	-	607,700	-
Other assets	-	23,496,780	23,496,780	-
Net pension asset	-	7,918	7,918	-
Lease receivable	460,087	1,808,857	2,268,944	-
Non-depreciable assets	33,302,460	49,781,601	83,084,061	-
Depreciable assets, net of accumulated depreciation & amortization	193,512,103	454,404,226	647,916,329	-
Restricted non-current assets:				
Long-term investments	-	389,299,091	389,299,091	-
Total non-current assets	263,845,823	932,301,250	1,196,147,073	17,833,163
Total assets	372,035,600	1,153,863,191	1,525,898,791	18,307,074
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	-	3,894,786	3,894,786	-
Deferred outflows related to OPEB	1,471,798	1,783,019	3,254,817	-
Deferred outflows related to pensions	7,693,748	24,374,824	32,068,572	-
Total deferred outflows of resources	9,165,546	30,052,629	39,218,175	-

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

CITY OF AMES, IOWA  
STATEMENT OF NET POSITION (continued)  
JUNE 30, 2024

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Unit
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	\$ 4,393,053	\$ 18,399,077	\$ 22,792,130	\$ 460,045
Accrued payroll	289,745	9,869,151	10,158,896	-
Accrued compensated absences	137,621	691,645	829,266	-
Accrued other post-employment benefits	9,549	389,898	399,447	-
Accrued interest payable	206,027	278,121	484,148	-
Retainage payable	1,461,087	1,008,074	2,469,161	-
Customer deposits	690,188	1,041,390	1,731,578	-
Intergovernmental payable	98,139	211,932	310,071	-
Claims payable	611,721	2,436,368	3,048,089	-
Loans payable	-	4,451,022	4,451,022	-
Accrued other	-	819,163	819,163	-
Lease liabilities	52,321	611,747	664,068	-
Subscription based IT asset liabilities	204,159	825,860	1,030,019	-
Bonds payable, net	9,673,817	8,306,771	17,980,588	-
Unearned revenue	-	747,678	747,678	-
Accrued landfill post-closure costs	-	15,788	15,788	-
Total current liabilities	17,827,427	50,103,685	67,931,112	460,045
Non-current liabilities:				
Accrued compensated absences	2,661,272	8,573,833	11,235,105	-
Accrued other post-employment benefits	2,800,359	6,210,526	9,010,885	-
Net pension liability	24,158,022	51,368,689	75,526,711	-
Loans payable	-	62,355,192	62,355,192	-
Bonds payable, net	61,201,681	80,703,522	141,905,203	-
Lease liabilities	51,893	629,019	680,912	-
Subscription based IT asset liabilities	181,258	828,700	1,009,958	-
Accrued landfill post-closure costs	-	69,725	69,725	-
Total non-current liabilities	91,054,485	210,739,206	301,793,691	-
Total liabilities	108,881,912	260,842,891	369,724,803	460,045
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Succeeding year property taxes	35,963,162	-	35,963,162	-
Deferred charge on refunding	373,980	4,868	378,848	-
Deferred inflows related to leases	409,914	2,831,217	3,241,131	-
Deferred inflows related to OPEB	195,055	608,049	803,104	-
Deferred inflows related to pensions	593,453	1,288,472	1,881,925	-
Total deferred inflows of resources	37,535,564	4,732,606	42,268,170	-
<b>NET POSITION</b>				
Net investment in capital assets	175,545,873	348,355,842	523,901,715	-
Restricted:				
Expendable for:				
Debt service	5,387,667	3,506,271	8,893,938	-
Capital projects	12,422,347	-	12,422,347	-
Public safety	321,343	-	321,343	-
Employee benefits	15,894	7,918	23,812	-
Library services	509,894	-	509,894	-
Aquatic center	123,930	-	123,930	-
Community welfare	4,820	-	4,820	-
Housing services	874,378	-	874,378	-
Economic development	2,178,860	-	2,178,860	-
Community betterment	10,693,228	-	10,693,228	-
Mary Greeley Medical Center	-	-	-	10,990,679
Non-expendable for:				
Perpetual care	1,109,260	-	1,109,260	-
Aquatic center	1,000,000	-	1,000,000	-
Bliss Cancer Endowment Fund	-	-	-	253,390
Unrestricted	24,596,176	566,470,292	591,066,468	6,602,960
Total net position	\$ 234,783,670	\$ 918,340,323	\$ 1,153,123,993	\$ 17,847,029

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

CITY OF AMES, IOWA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024

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	\$ 3,678,591	\$ 261,278	\$ 49,347	\$ -	\$ (3,367,966)	\$ -	\$ (3,367,966)	\$ -
Public safety	21,310,211	4,020,491	217,187	-	(17,072,533)	-	(17,072,533)	-
Public works	19,310,601	31,634	9,334,999	5,432,438	(4,511,530)	-	(4,511,530)	-
Health and social services	1,812,403	-	23,109	-	(1,789,294)	-	(1,789,294)	-
Culture and recreation	12,415,577	1,929,538	717,792	700,000	(9,068,247)	-	(9,068,247)	-
Community and economic development	3,489,478	4,504	1,889,122	-	(1,595,852)	-	(1,595,852)	-
Interest	1,610,636	-	-	-	(1,610,636)	-	(1,610,636)	-
Total governmental activities	63,627,497	6,247,445	12,231,556	6,132,438	(39,016,058)	-	(39,016,058)	-
Business-type activities:								
Mary Greeley Medical Center	247,769,583	254,224,892	-	103,213	-	6,558,522	6,558,522	-
Electric	63,181,563	64,739,189	204,330	-	-	1,761,956	1,761,956	-
Sewer	8,237,076	10,113,400	46,999	691,653	-	2,614,976	2,614,976	-
Water	10,705,954	13,540,505	4,720	775,169	-	3,614,440	3,614,440	-
Airport	799,305	327,291	44,647	698,918	-	271,551	271,551	-
Parking	840,459	862,948	200	-	-	22,689	22,689	-
Transit	17,182,937	7,943,781	5,489,411	1,161,276	-	(2,588,469)	(2,588,469)	-
Stormwater	1,606,163	1,990,013	80,000	-	-	463,850	463,850	-
Ice arena	762,662	524,805	-	40,000	-	(197,857)	(197,857)	-
Golf course	330,949	529,749	-	-	-	198,800	198,800	-
Resource recovery	5,172,617	4,354,177	-	-	-	(818,440)	(818,440)	-
Total business-type activities	356,589,268	359,150,750	5,870,307	3,470,229	-	11,902,018	11,902,018	-
Total primary government	\$ 420,216,765	\$ 365,398,195	\$ 18,101,863	\$ 9,602,667	(39,016,058)	11,902,018	(27,114,040)	-
<b>Component unit:</b>								
Mary Greeley Medical Center Foundation	\$ 2,842,105	\$ -	\$ 2,715,044	\$ -				(127,061)
General revenues:								
Property taxes					36,155,078	-	36,155,078	-
Sales taxes					12,033,283	-	12,033,283	-
Hotel/motel taxes					2,762,285	-	2,762,285	-
Unrestricted grants and contributions					42,236	-	42,236	-
Investment income					5,775,114	36,730,482	42,505,596	1,499,743
Other income					483,821	1,340,362	1,824,183	-
Gain (loss) on disposal of capital assets					94,073	25,071	119,144	-
Transfers					(2,278,212)	2,278,212	-	-
Total general revenues and transfers					55,067,678	40,374,127	95,441,805	1,499,743
Change in net position					16,051,620	52,276,145	68,327,765	1,372,682
Net position, beginning					218,732,050	866,064,178	1,084,796,228	16,474,347
Net position, ending					\$ 234,783,670	\$ 918,340,323	\$ 1,153,123,993	\$ 17,847,029

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

CITY OF AMES, IOWA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2024

	General	Capital Projects	Debt Service	Total Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 3,520,395	\$ 4,178,820	\$ 823,318	\$ 6,977,902	\$ 15,500,435
Investments	12,393,187	24,201,083	3,019,458	26,526,534	66,140,262
Taxes receivable	58,835	-	27,560	-	86,395
Special assessments receivable - current	-	227,052	-	-	227,052
Accrued interest receivable	157,850	69,867	30,044	14,793	272,554
Accounts receivable, net	310,730	-	-	2,663	313,393
Intergovernmental receivable	815,018	3,506,500	-	2,167,859	6,489,377
Loans receivable - current	-	-	-	922	922
Lease receivable - current	4,043	-	-	-	4,043
Due from other funds	1,762,990	750	1,905	1,949,414	3,715,059
Inventories	23,601	-	-	203,029	226,630
Property held for resale	-	-	-	808,136	808,136
Prepaid items	176,627	24,000	-	12,297	212,924
Succeeding year taxes receivable	24,240,520	-	11,722,642	-	35,963,162
Lease receivable - long term	460,087	-	-	-	460,087
Loans receivable - long term	-	-	-	311	311
Special assessments receivable - long term	-	607,700	-	-	607,700
Total assets	<u>\$ 43,923,883</u>	<u>\$ 32,815,772</u>	<u>\$ 15,624,927</u>	<u>\$ 38,663,860</u>	<u>\$ 131,028,442</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 882,556	\$ 2,477,390	\$ -	\$ 674,799	\$ 4,034,745
Accrued payroll	153,830	27,290	-	90,521	271,641
Retainage payable	185,206	725,338	-	550,543	1,461,087
Customer deposits	22,899	-	-	667,289	690,188
Intergovernmental payable	46,909	-	8,843	9,958	65,710
Due to other funds	885,283	395,420	22,733	1,120,472	2,423,908
Total liabilities	<u>2,176,683</u>	<u>3,625,438</u>	<u>31,576</u>	<u>3,113,582</u>	<u>8,947,279</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue:					
Property taxes	24,240,520	-	11,722,642	-	35,963,162
Special assessments	-	834,752	-	-	834,752
Charges for services	21,228	-	-	-	21,228
Leases	409,914	-	-	-	409,914
Licenses and permits	29,699	-	-	-	29,699
Grants	-	1,789,556	-	201,318	1,990,874
Total deferred inflows of resources	<u>24,701,361</u>	<u>2,624,308</u>	<u>11,722,642</u>	<u>201,318</u>	<u>39,249,629</u>
<b>FUND BALANCES</b>					
Non-spendable	200,228	24,000	-	2,324,586	2,548,814
Restricted	-	24,940,705	3,870,709	25,652,453	54,463,867
Committed	-	1,948,665	-	7,371,921	9,320,586
Assigned	1,238,509	-	-	-	1,238,509
Unassigned	15,607,102	(347,344)	-	-	15,259,758
Total fund balances	<u>17,045,839</u>	<u>26,566,026</u>	<u>3,870,709</u>	<u>35,348,960</u>	<u>82,831,534</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 43,923,883</u>	<u>\$ 32,815,772</u>	<u>\$ 15,624,927</u>	<u>\$ 38,663,860</u>	<u>\$ 131,028,442</u>

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

CITY OF AMES, IOWA  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2024

Amounts reported for governmental activities in the statement of net position (pages 28-29) are different because:

Fund balance - total governmental funds (page 31)	\$ 82,831,534
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	214,734,752
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	834,752
Other revenues	2,041,803
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	7,412,614
Deferred inflows of resources	(589,956)
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	1,367,819
Deferred inflows of resources	(178,553)
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.	26,719,473
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	(65,002,207)
Interest payable on general obligation bonds	(206,027)
Deferred charges on general obligation bonds refunded	(373,980)
Unamortized premiums on the issuance of general obligation bonds	(5,873,291)
Lease liabilities on lease assets	(104,214)
Subscription liabilities on subscription assets	(211,800)
Accrued compensated absences	(2,648,044)
Total other post-employment benefits payable	(2,598,802)
Net pension liability	(23,372,203)
Net position of governmental activities	<u>\$ 234,783,670</u>

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

CITY OF AMES, IOWA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENT FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

	General	Capital Projects	Debt Service	Total Nonmajor Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes	\$ 24,328,397	\$ -	\$ 11,448,641	\$ 15,173,609	\$ 50,950,647
Special assessments	-	241,098	-	-	241,098
Licenses and permits	1,503,843	-	-	-	1,503,843
Intergovernmental	477,918	3,073,727	49,347	12,034,966	15,635,958
Charges for services	4,583,772	-	-	24,451	4,608,223
Fines and forfeitures	40,879	-	-	-	40,879
Investment income	2,285,665	1,531,889	361,800	189,671	4,369,025
Interest revenue	23,294	-	-	-	23,294
Miscellaneous	191,182	126,600	-	160,845	478,627
Total revenues	<u>33,434,950</u>	<u>4,973,314</u>	<u>11,859,788</u>	<u>27,583,542</u>	<u>77,851,594</u>
<b>EXPENDITURES</b>					
Current:					
General government	3,133,852	139,420	-	531,308	3,804,580
Public safety	21,247,451	-	-	276,110	21,523,561
Public works	1,177,531	-	-	6,922,670	8,100,201
Health and social services	-	-	-	1,812,435	1,812,435
Culture and recreation	9,594,764	-	-	758,862	10,353,626
Community and economic development	1,041,611	-	-	2,478,888	3,520,499
Debt service:					
Principal	-	-	9,611,518	-	9,611,518
Interest and fiscal charges	-	-	2,628,323	-	2,628,323
Capital outlay	1,101,324	18,223,955	-	6,338,900	25,664,179
Total expenditures	<u>37,296,533</u>	<u>18,363,375</u>	<u>12,239,841</u>	<u>19,119,173</u>	<u>87,018,922</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,861,583)</u>	<u>(13,390,061)</u>	<u>(380,053)</u>	<u>8,464,369</u>	<u>(9,167,328)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	10,224,793	3,917,340	1,898,022	477,559	16,517,714
Transfers out	(5,799,139)	(891,133)	-	(9,593,619)	(16,283,891)
General obligation bonds issued	-	12,110,000	-	-	12,110,000
Premium on general obligation bonds	-	681,309	-	-	681,309
Lease financing	141,953	-	-	-	141,953
Total other financing sources (uses)	<u>4,567,607</u>	<u>15,817,516</u>	<u>1,898,022</u>	<u>(9,116,060)</u>	<u>13,167,085</u>
Net change in fund balances	706,024	2,427,455	1,517,969	(651,691)	3,999,757
Fund balances, beginning	<u>16,339,815</u>	<u>24,138,571</u>	<u>2,352,740</u>	<u>36,000,651</u>	<u>78,831,777</u>
Fund balances, ending	<u>\$ 17,045,839</u>	<u>\$ 26,566,026</u>	<u>\$ 3,870,709</u>	<u>\$ 35,348,960</u>	<u>\$ 82,831,534</u>

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

# CITY OF AMES, IOWA

## 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, 2024

Amounts reported for governmental activities in the statement of activities (page 30) are different because:

Net changes in fund balances - total governmental funds (page 33)	\$ 3,999,757
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Special assessments	(221,626)
Other revenues	33,996
Contributed capital assets do not provide current financial resources.	2,813,034
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	20,846,888
Capital contributions	(1,871,287)
Disposals	(37,875)
Depreciation/amortization expense	(12,107,989)
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	(681,309)
Amortization of bond premiums	986,512
Amortization of deferred charges on refunding debt	46,747
Proceeds from issuance of bonds	(12,110,000)
Principal payments	9,611,518
Interest payments	(15,572)
The change in deferred outflows of resources and deferred inflows of resources is not recorded in the governmental funds.	4,161,263
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	(164,916)
Increase in accrued other post-employment benefits	(1,089,980)
Increase in net pension liability	(2,454,849)
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.	4,307,308
Changes in net position of governmental activities	<u>\$ 16,051,620</u>

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

CITY OF AMES, IOWA  
STATEMENT OF FUND NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2024

	Business-Type Activities						Governmental Activities
	Mary Greeley Medical Center	Electric	Sewer	Water	Other Enterprise Funds	Totals	Internal Service Funds
<b>ASSETS</b>							
Current assets:							
Cash and cash equivalents	\$ 9,910,732	\$ 1,636,426	\$ 3,799,778	\$ 3,321,186	\$ 8,310,365	\$ 26,978,487	\$ 6,510,933
Investments	-	41,448,025	14,467,936	15,898,000	29,952,731	101,766,692	23,880,895
Accrued interest receivable	-	308,051	69,461	79,242	144,992	601,746	112,610
Accounts receivable, net	43,713,627	7,634,399	1,174,777	1,944,639	695,832	55,163,274	117,308
Lease receivable	1,074,068	-	-	39,582	65,293	1,178,943	-
Due from other funds	-	132,760	100,276	551,959	139,426	924,421	400,801
Intergovernmental receivable	-	591,176	245,175	6,729	2,543,135	3,386,215	38,764
Inventories	5,147,368	5,561,856	-	547,670	407,131	11,664,025	101,207
Prepaid items	4,117,421	76,178	2,625	4,001	111,944	4,312,169	150,056
Restricted current assets:							
Cash and cash equivalents	-	1,030,518	144,837	1,013,312	-	2,188,667	-
Investments	1,291,963	-	-	-	-	1,291,963	-
Interest receivable	25,641	-	-	-	-	25,641	-
Total current assets	65,280,820	58,419,389	20,004,865	23,406,320	42,370,849	209,482,243	31,312,574
Non-current assets:							
Investments	-	13,502,777	-	-	-	13,502,777	-
Other assets	23,496,780	-	-	-	-	23,496,780	-
Net pension asset	-	-	-	-	7,918	7,918	-
Lease receivable	377,411	-	-	238,039	1,193,407	1,808,857	-
Capital assets:							
Land	4,883,356	2,223,783	2,036,531	3,178,665	3,794,315	16,116,650	-
Land improvements	2,096,940	-	-	-	26,841,591	28,938,531	192,433
Plant and distribution systems	-	238,052,192	105,697,796	137,264,620	-	481,014,608	-
Buildings	270,202,993	-	-	-	44,912,952	315,115,945	1,148,632
Equipment	119,365,190	-	-	-	48,524,648	167,889,838	24,839,707
Lease assets	2,888,122	-	-	-	52,316	2,940,438	-
Subscription based IT assets	2,757,238	419,161	-	27,968	16,975	3,221,342	501,230
Construction in progress	1,645,483	2,699,564	17,414,561	9,996,808	1,908,535	33,664,951	-
Less acc. depreciation/amortization	(231,929,172)	(146,797,456)	(63,273,135)	(33,614,191)	(69,102,522)	(544,716,476)	(14,602,193)
Restricted non-current assets:							
Investments	389,299,091	-	-	-	-	389,299,091	-
Total non-current assets	585,083,432	110,100,021	61,875,753	117,091,909	58,150,135	932,301,250	12,079,809
Total assets	650,364,252	168,519,410	81,880,618	140,498,229	100,520,984	1,141,783,493	43,392,383
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Deferred charge on refunding	3,894,786	-	-	-	-	3,894,786	-
Deferred outflows related to OPEB	452,607	508,096	113,506	150,398	552,071	1,776,678	110,320
Deferred outflows related to pensions	21,020,313	768,866	224,654	277,559	2,064,108	24,355,500	300,458
	25,367,706	1,276,962	338,160	427,957	2,616,179	30,026,964	410,778

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

CITY OF AMES, IOWA  
STATEMENT OF FUND NET POSITION (continued)  
PROPRIETARY FUNDS  
JUNE 30, 2024

	Business-Type Activities						Governmental Activities
	Mary Greeley Medical Center	Electric	Sewer	Water	Other Enterprise Funds	Totals	Internal Service Funds
<b>LIABILITIES</b>							
Current liabilities:							
Accounts payable	\$ 12,353,995	\$ 3,730,070	\$ 558,818	\$ 401,134	\$ 1,334,143	\$ 18,378,160	\$ 379,225
Accrued payroll	9,442,331	159,265	10,564	28,526	228,465	9,869,151	18,104
Accrued compensated absences	594,087	36,774	7,077	11,249	41,680	690,867	8,906
Accrued other post-employment benefits	251,685	50,617	10,505	14,591	61,734	389,132	10,315
Due to other funds	-	588,815	1,002,482	644,450	324,945	2,560,692	55,681
Claims payable	926,656	-	-	-	-	926,656	2,121,433
Retainage payable	157,187	164,882	220,439	360,386	105,180	1,008,074	-
Customer deposits	-	1,041,390	-	-	-	1,041,390	-
Accrued interest	116,106	41,232	33,338	85,497	1,948	278,121	-
Loans payable	-	-	1,019,022	3,432,000	-	4,451,022	-
Intergovernmental payable	-	118,347	10,197	58,985	24,403	211,932	32,429
Accrued landfill post-closure costs	-	-	-	-	15,788	15,788	-
Accrued other	819,163	-	-	-	-	819,163	-
Lease liabilities	597,612	-	-	-	14,135	611,747	-
Subscription based IT asset liabilities	703,504	112,175	-	4,461	5,720	825,860	163,604
Bonds payable, net	6,782,113	983,623	312,827	62,543	165,665	8,306,771	-
Unearned revenue	-	-	508,203	239,475	-	747,678	-
Total current liabilities	32,744,439	7,027,190	3,693,472	5,343,297	2,323,806	51,132,204	2,789,697
Non-current liabilities:							
Accrued compensated absences	6,911,733	604,055	118,450	196,066	734,776	8,565,080	151,474
Accrued other post-employment benefits	3,926,356	908,708	219,303	274,941	872,393	6,201,701	210,382
Net pension liability	43,071,165	1,654,033	634,220	520,825	5,442,974	51,323,217	831,291
Loans payable	-	-	15,121,576	47,233,616	-	62,355,192	-
Accrued landfill post-closure costs	-	-	-	-	69,725	69,725	-
Lease liabilities	621,760	-	-	-	7,259	629,019	-
Subscription based IT asset liabilities	705,689	105,922	-	14,172	2,917	828,700	10,013
Bonds payable, net	77,060,359	2,093,911	783,830	207,831	557,591	80,703,522	-
Total non-current liabilities	132,297,062	5,366,629	16,877,379	48,447,451	7,687,635	210,676,156	1,203,160
Total liabilities	165,041,501	12,393,819	20,570,851	53,790,748	10,011,441	261,808,360	3,992,857
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred charge on refunding	-	-	-	-	4,868	4,868	-
Deferred inflows related to leases	1,350,797	-	-	252,174	1,228,246	2,831,217	-
Deferred inflows related to OPEB	456,198	65,475	17,794	20,627	47,645	607,739	16,812
Deferred inflows related to pensions	1,256,858	-	-	-	11,737	1,268,595	23,374
	3,063,853	65,475	17,794	272,801	1,292,496	4,712,419	40,186
<b>NET POSITION</b>							
Net investment in capital assets	89,176,716	93,136,731	44,418,059	65,538,861	56,085,475	348,355,842	12,079,809
Restricted for debt service	1,317,604	1,030,518	144,837	1,013,312	-	3,506,271	-
Restricted	-	-	-	-	7,918	7,918	-
Unrestricted	417,132,284	63,169,829	17,067,237	20,310,464	35,739,833	553,419,647	27,690,309
Total net position	\$ 507,626,604	\$ 157,337,078	\$ 61,630,133	\$ 86,862,637	\$ 91,833,226	905,289,678	\$ 39,770,118
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						13,050,645	
Net position of business-type activities						\$ 918,340,323	

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

CITY OF AMES, IOWA  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

	Business-Type Activities						Governmental Activities
	Mary Greeley Medical Center	Electric	Sewer	Water	Other Enterprise Funds	Totals	Internal Service Funds
Operating revenues:							
Charges for services	\$ 254,224,892	\$ 64,739,189	\$ 10,113,400	\$ 13,540,505	\$ 16,532,764	\$ 359,150,750	\$ 24,617,598
Operating expenses:							
Cost of goods and services	191,061,625	54,527,627	5,220,635	6,204,023	19,679,920	276,693,830	21,133,891
Administration	35,308,065	2,757,156	837,091	837,091	2,773,509	42,512,912	-
Depreciation	17,551,395	6,113,280	1,845,236	2,720,886	4,350,944	32,581,741	2,020,840
Total operating expenses	243,921,085	63,398,063	7,902,962	9,762,000	26,804,373	351,788,483	23,154,731
Operating income (loss)	10,303,807	1,341,126	2,210,438	3,778,505	(10,271,609)	7,362,267	1,462,867
Non-operating revenues:							
Intergovernmental	-	-	46,999	-	5,466,918	5,513,917	-
Reimbursements	-	204,330	(7,891)	4,720	147,340	348,499	-
Investment revenue	29,581,960	3,270,005	1,007,474	1,066,233	1,804,810	36,730,482	1,382,793
Interest expense	(3,708,835)	(33,106)	(368,667)	(1,005,054)	(6,094)	(5,121,756)	(8,872)
Gain (loss) on disposal of capital assets	(139,663)	1,825	-	-	23,246	(114,592)	70,997
Miscellaneous	-	243,543	97,754	939,227	47,575	1,328,099	9,024
Total non-operating revenues	25,733,462	3,686,597	775,669	1,005,126	7,483,795	38,684,649	1,453,942
Income (loss) before capital contributions and transfers	36,037,269	5,027,723	2,986,107	4,783,631	(2,787,814)	46,046,916	2,916,809
Capital contributions	103,213	-	2,989,531	989,326	1,900,194	5,982,264	1,871,287
Transfers in	-	-	-	-	2,735,352	2,735,352	46,199
Transfers out	-	(2,292,262)	-	-	(676,913)	(2,969,175)	(46,199)
Change in net position	36,140,482	2,735,461	5,975,638	5,772,957	1,170,819	51,795,357	4,788,096
Net position, beginning	471,486,122	154,601,617	55,654,495	81,089,680	90,662,407		34,982,022
Net position, ending	\$ 507,626,604	\$ 157,337,078	\$ 61,630,133	\$ 86,862,637	\$ 91,833,226		\$ 39,770,118
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds						480,788	
Change in net position of business-type activities						\$ 52,276,145	

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

CITY OF AMES, IOWA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

	Business-Type Activities						Governmental Activities
	Mary Greeley Medical Center	Electric	Sewer	Water	Other Enterprise Funds	Totals	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Receipts from customers	\$ 241,280,060	\$ 65,055,778	\$ 9,206,131	\$ 15,120,908	\$ 18,445,821	\$ 349,108,698	\$ 24,932,010
Other receipts	2,251,091	447,873	89,863	932,562	-	3,721,389	-
Payments to suppliers	(109,340,440)	(43,939,038)	(1,028,428)	(2,919,148)	(7,999,478)	(165,226,532)	(17,640,874)
Payments to employees	(117,280,159)	(11,637,418)	(2,417,184)	(3,595,026)	(13,421,924)	(148,351,711)	(2,327,829)
Payments to other funds for services provided	-	(3,544,954)	(1,995,564)	(1,197,281)	(2,159,662)	(8,897,461)	(1,151,913)
Net cash provided by (used for) operating activities	16,910,552	6,382,241	3,854,818	8,342,015	(5,135,243)	30,354,383	3,811,394
<b>CASH FLOW FROM NON-CAPITAL FINANCING ACTIVITIES</b>							
Operating grants	-	-	(93,417)	-	5,466,918	5,373,501	-
Reimbursements	-	-	-	-	147,340	147,340	-
Interest revenue	-	-	-	11,385	-	11,385	-
Miscellaneous income	-	-	-	-	47,573	47,573	9,024
Transfers in	-	-	-	-	2,735,352	2,735,352	46,199
Transfers out	-	(2,292,262)	-	-	(676,913)	(2,969,175)	(46,199)
Net cash provided by (used for) non-capital financing activities	-	(2,292,262)	(93,417)	11,385	7,720,270	5,345,976	9,024
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>							
Acquisition and construction of capital assets	(7,456,418)	(5,816,892)	(7,275,049)	(9,993,363)	(2,436,903)	(32,978,625)	(2,922,893)
Capital grants	-	-	140,416	-	-	140,416	(8,872)
Proceeds from the sale of capital assets	483,623	1,825	-	-	23,246	508,694	76,540
Principal paid on capital debt	(7,273,582)	(887,400)	(333,913)	(111,001)	(181,168)	(8,787,064)	-
Interest paid on capital debt	(3,091,236)	(93,991)	(49,976)	(16,622)	(30,354)	(3,282,179)	-
Proceeds from loans	-	-	2,810,243	7,478,733	-	10,288,976	-
Principal paid on loans	-	-	(934,852)	(3,329,000)	-	(4,263,852)	-
Interest paid on loans	-	-	(344,417)	(988,916)	-	(1,333,333)	-
Interest paid on leases	-	(5,674)	(122)	(665)	(899)	(7,360)	-
Capital contributions	103,213	-	140,416	-	1,383,717	1,627,346	-
Net cash (used for) capital and related financing activities	(17,234,400)	(6,802,132)	(5,847,254)	(6,960,834)	(1,242,361)	(38,086,981)	(2,855,225)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of investments	(271,637,554)	(40,017,515)	(16,569,588)	(18,207,386)	(34,303,743)	(380,735,786)	(27,349,900)
Proceeds from sale of investments	274,756,576	42,099,942	17,935,464	16,730,103	32,422,348	383,944,433	26,076,606
Other liabilities	(10,016,925)	26,019	-	-	-	(9,990,906)	-
Interest on investments	8,573,847	2,240,250	995,215	1,042,483	1,752,330	14,604,125	1,350,469
Net cash provided by (used for) investing activities	1,675,944	4,348,696	2,361,091	(434,800)	(129,065)	7,821,866	77,175
Net increase (decrease) in cash and cash equivalents	1,352,096	1,636,543	275,238	957,766	1,213,601	5,435,244	1,042,368
Cash and cash equivalents, beginning	8,558,636	1,030,401	3,669,377	3,376,732	7,096,764	23,731,910	5,468,565
Cash and cash equivalents, ending	9,910,732	2,666,944	3,944,615	4,334,498	8,310,365	29,167,154	6,510,933

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

CITY OF AMES, IOWA  
STATEMENT OF CASH FLOWS (continued)  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

	Business-Type Activities						Governmental Activities
	Mary Greeley Medical Center	Electric	Sewer	Water	Other Enterprise Funds	Totals	Internal Service Funds
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>							
Operating income (loss)	\$ 10,303,807	\$ 1,341,126	\$ 2,210,438	\$ 3,778,505	\$ (10,271,609)	\$ 7,362,267	\$ 1,462,867
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:							
Depreciation expense	17,551,395	6,113,280	1,845,236	2,720,886	4,350,944	32,581,741	2,020,840
(Increase) decrease in accounts receivable	(11,788,909)	475,715	(53,381)	190,174	(168,923)	(11,345,324)	200,487
(Increase) decrease in lease receivable	407,942	-	-	277,122	74,981	760,045	-
(Increase) decrease in due from other funds	-	959	355,964	(349,982)	126,234	133,175	93,524
(Increase) decrease in intergovernmental receivable	-	(171,224)	122,088	1,223,614	2,003,412	3,177,890	20,401
(Increase) in inventories	(84,419)	111,692	-	(32,408)	(7,637)	(12,772)	29,612
(Increase) decrease in prepaid items	(404,569)	77,106	(2,625)	21,055	(90,954)	(399,987)	(150,056)
(Increase) decrease in deferred outflows of resources	(6,333,610)	(688,092)	(142,444)	(257,265)	(1,204,473)	(8,625,884)	(155,232)
Increase in accounts payable	4,473,883	(1,440,091)	(17,021)	(608,855)	(746,460)	1,661,456	(132,647)
Increase (decrease) in accrued payroll	322,856	7,344	2,217	(10,158)	(9,359)	312,900	336
Increase (decrease) in accrued compensated absences	-	46,318	(10,348)	(26,271)	120,542	130,241	(2,679)
Increase (decrease) in due to other funds	-	(424,036)	482,128	185,436	(10,760)	232,768	(76,938)
Increase (decrease) in other long term liabilities	149,455	-	-	-	-	149,455	419,783
Increase (decrease) in retainage payable	-	(35,307)	205,520	140,059	85,061	395,333	-
Increase in customer deposits	-	12,964	-	-	-	12,964	-
Change in estimated net settlements due to third-party payors	9,950	-	-	-	-	9,950	-
Increase (decrease) in intergovernmental payable	-	(8,671)	577	(3,714)	(91,882)	(103,690)	(39,167)
Change in accrued landfill post-closure costs	-	-	-	-	1,929	1,929	-
Increase in unearned revenue	-	-	(1,331,940)	239,475	(10,639)	(1,103,104)	-
Increase in post-employment benefits	(225,704)	405,243	84,102	116,816	494,253	874,710	81,404
Increase in pension liability	7,640,226	398,108	96,567	137,111	776,088	9,048,100	114,187
Change in non-operating revenue	-	447,873	89,863	932,562	-	1,470,298	-
Change in deferred inflows of resources	(5,111,750)	(288,066)	(82,123)	(332,147)	(555,991)	(6,370,077)	(75,328)
Total adjustments	6,606,746	5,041,115	1,644,380	4,563,510	5,136,366	22,992,117	2,348,527
Net cash provided by (used for) operating activities	\$ 16,910,552	\$ 6,382,241	\$ 3,854,818	\$ 8,342,015	\$ (5,135,243)	\$ 30,354,383	\$ 3,811,394
<b>Schedule of non-cash capital and related financing activities:</b>							
Capital asset contributions	\$ -	\$ -	\$ 2,849,115	\$ 989,326	\$ 516,477	\$ 4,354,918	\$ 23,466

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

CITY OF AMES, IOWA  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2024

	<b>Custodial Fund</b>
<b>ASSETS</b>	
Current assets:	
Intergovernmental receivable	\$ 1,900
Total current assets	<u>1,900</u>
<b>LIABILITIES</b>	
Current liabilities:	
Intergovernmental payable	<u>1,900</u>
Total current liabilities	<u>1,900</u>
<b>NET POSITION</b>	
Restricted for:	
Pensions	-
Postemployment benefits other than pensions	-
Individuals and organizations	-
Restricted for debt service	-
Unrestricted	<u>-</u>
Total net position	<u>-</u>
	<u>\$ -</u>

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

CITY OF AMES, IOWA  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

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	<b>Custodial Fund</b>
<b>Additions</b>	
Contributions:	
Private contributions	726,734
Total contributions	726,734
Total additions	726,734
 <b>Deductions</b>	
Benefits	193,352
Payroll	530,660
Recruitment	2,722
Total deductions	726,734
 Net increase (decrease) in fiduciary net position	-
 Net position - beginning	-
Net position - ending	\$ -

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

## **NOTE 1 - Summary of significant accounting policies**

### **1.1 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. The one *fiduciary fund* is excluded from the government-wide financial statements.

### **1.2 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.

### **1.3 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 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.

#### **1.4 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.

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.

The City reports the following fiduciary fund:

The *City Assessor* accounts for the funds used to hold assets that will benefit the City Assessor. These resources are not owned by the City and cannot be used to support any of its programs. The City holds these assets until it is determined how and where these resources should be appropriated/redistributed. These funds are not included in the government-wide statements because the assets are not owned by the City and there is no ongoing financial interest or responsibility.

Additionally, the City reports the following fund types:

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

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

### **1.5 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*, as are the proprietary fund financial statements, and the fiduciary fund statements. 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.

## **1.6 Budgetary information**

### ***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 April 30 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).

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.

## **1.7 Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance**

### ***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.

### ***Investments***

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

### ***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.

### ***Capital assets***

Capital assets, lease assets, and subscription assets, which include property, plant, equipment, right to use lease assets, right to use subscription-based information technology 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 lease assets and subscription-based 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 lease assets and subscriptions 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 lease 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

### ***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.

### ***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 assets that applies to future periods 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 assets that applies to future periods 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.

### ***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, 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.

***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.

***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, 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.

***Net position flow assumption***

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

***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.

***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.

## **1.8 Revenues and expenditures/expenses**

### ***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.

### ***Property taxes***

Property tax and tax increment financing receivables are recognized in these funds on the levy or lien date, which is the date the tax asking is certified by the City to the County Board of Supervisors. Delinquent property tax and tax increment financing receivables represent taxes collected by the County but not remitted to the City at June 30, 2024 and unpaid taxes. The succeeding year property tax and tax increment financing receivables represent taxes certified by the City to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the City is required to certify its budget to the County Auditor in April of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax and tax increment financing receivables have been recorded, the related revenue is reported as a deferred inflow of resources in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which they are levied.

### ***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.

### ***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.

### ***Proprietary funds operating and non-operating revenues and expenses***

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

## **NOTE 2 – Reconciliation of government-wide and fund financial statements**

### **2.1 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 \$214,734,752 are as follows:

CITY OF AMES, IOWA  
NOTES TO THE FINANCIAL STATEMENTS (continued)  
JUNE 30, 2024

Land	\$ 17,284,601
Public art collection	640,326
Construction in progress	15,377,533
Buildings	34,654,567
Less: accumulated depreciation	(13,571,733)
Lease assets	169,167
Less: amortization	(64,953)
Subscription-based IT assets	296,010
Less: amortization	(84,210)
Equipment	13,450,558
Less: accumulated depreciation	(9,505,110)
Infrastructure	330,876,617
Less: accumulated depreciation	(174,788,621)
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net position in governmental activities</i>	<u>\$ 214,734,752</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 \$26,719,473 are as follows:

Net position of the internal service funds	\$39,770,118
Less: Internal payable representing charges in excess of cost to business-type activities - prior years	(12,569,857)
Less: Internal payable representing charges in excess of cost to business-type activities - current year	(480,788)
	<u>\$26,719,473</u>

## 2.2 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 \$4,307,308 are as follows:

Change in net position of the internal service funds	\$ 4,788,096
Less: gain from charges to business-type activities	<u>(480,788)</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>\$ 4,307,308</u>

## NOTE 3 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

### 3.1 Violations of legal or contractual provisions

Except for disbursements exceeding the amounts budgeted on the debt service function, there were no budgetary violations that occurred in the fiscal year ended June 30, 2025.

## NOTE 4 – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

### 4.1 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, 2024, 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.

### 4.2 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, IOWA  
NOTES TO THE FINANCIAL STATEMENTS (continued)  
JUNE 30, 2024

Authorized Investment Type	Maximum Maturity for Operating Funds (Days)	Maximum Maturity for Non-Operating Funds (Years)	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Agency securities	397	7	n/a	n/a
Certificates of deposit	397	7	n/a	n/a
Prime banker's acceptances	270	270 days	10%	5%
Commercial paper	270	270 days	10%	5%
Repurchase agreements	397	7	n/a	n/a
Joint investment trusts	397	7	n/a	n/a
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	\$ 120,939,527	07/15/24-08/05/30
U.S. Treasury obligations	67,885,468	08/15/24-05/15/34
Commercial paper	16,830,601	07/01/24-10/28/24
Municipal bonds	-	
Mutual funds	389,492,884	n/a
Corporate debt	733,200	05/15/25-02/20/34
	<u>\$ 595,881,680</u>	

The City categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. All 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, 2024, compared to June 30, 2023.

*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:

CITY OF AMES, IOWA  
NOTES TO THE FINANCIAL STATEMENTS (continued)  
JUNE 30, 2024

Investment Type	Fair Value	Remaining Maturity			
		12 Months or Less	13 - 24 Months	25-60 Months	More Than 60 Months
U.S. Agency coupon securities	\$ 120,939,527	\$ 64,194,961	\$ 41,235,491	\$ 15,468,745	\$ 40,330
U.S. Treasury obligations	67,885,468	32,350,082	22,365,102	13,155,363	14,921
Commercial paper	16,830,601	16,830,601	-	-	-
Mutual funds	389,492,884	389,492,884	-	-	-
Corporate debt	733,200	24,507	87,269	233,670	387,754
	<u>\$595,881,680</u>	<u>\$502,893,035</u>	<u>\$ 63,687,862</u>	<u>\$ 28,857,778</u>	<u>\$ 443,005</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, 2024, for each investment type:

Investment Type	Fair Value	Rating
U.S. Agency coupon securities	\$ 120,939,527	AAA
U.S. Treasury obligations	67,885,468	not rated
Commercial paper	16,830,601	A1/P1
Mutual funds	389,492,884	not rated
Corporate debt	733,200	AA1-BAA
	<u>\$595,881,680</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	\$ 66,291,070	11.12%
United States Treasury	U.S. treasuries	67,885,468	11.39%

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

As of June 30, 2024, 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	Percent of Portfolio
Federal National Mortgage Association	U.S. agency securities	\$ 14,316,788	2.40%
Federal Home Loan Mortgage Co.	U.S. agency securities	15,277,711	2.56%
Federal Home Loan Bank	U.S. agency securities	66,291,070	11.12%
Federal Farm Credit	U.S. agency securities	25,103,958	4.21%
United States Treasury	U.S. treasuries	67,885,468	11.39%

*Foreign currency risk.* Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. As of June 30, 2024, the City had no exposure to foreign currency rate risk, nor did the Medical Center as dollar denominated, international mutual funds (15.1% of the total investment portfolio) are not subject to such risk pursuant to guidance in GASB 40.

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.

#### 4.3 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, 2024:

Investment Type	Fair Value
Equity mutual funds	\$ 13,583,345
Bond mutual funds	4,249,818
	<u>\$ 17,833,163</u>

#### 4.4 Receivables

All utility and hospital accounts receivable are shown net of an allowance for uncollectible accounts. Significant allowances for uncollectible accounts as of June 30, 2024 included approximately \$9,400,000 related to the Mary Greeley Medical Center. Property tax receivable is shown at a gross amount since they are assessed to the property and collectible upon sale of the property.

## 4.5 Capital assets

Capital asset activity for the fiscal year ended June 30, 2024, is as follows:

<i>Governmental activities:</i>	Balance June 30, 2023	Increases	Decreases	Balance June 30, 2024
Non-depreciable capital assets:				
Land	\$ 16,137,769	\$ 1,146,832	\$ -	\$ 17,284,601
Public art collection	632,826	7,500	-	640,326
Construction in progress	31,322,112	9,338,371	(25,282,950)	15,377,533
Total non-depreciable capital assets	48,092,707	10,492,703	(25,282,950)	33,302,460
Depreciable/amortizable capital assets:				
Buildings	35,801,697	7,502	(6,000)	35,803,199
Lease assets	27,214	141,953	-	169,167
Subscription-based IT assets	797,240	-	-	797,240
Equipment	36,181,628	4,013,413	(1,904,776)	38,290,265
Infrastructure	294,227,663	37,166,532	(325,145)	331,069,050
	367,035,442	41,329,400	(2,235,921)	406,128,921
Less accumulated depreciation/amortization:				
Buildings	13,498,778	928,544	(3,600)	14,423,722
Lease assets	10,948	54,005	-	64,953
Subscription-based IT assets	213,209	198,614	-	411,823
Equipment	21,694,877	2,798,038	(1,757,648)	22,735,267
Infrastructure	165,226,897	10,069,702	(315,545)	174,981,054
	200,644,709	14,048,903	(2,076,793)	212,616,819
Total depreciable/amortizable capital assets	166,390,733	27,280,497	(159,128)	193,512,102
Total capital assets	\$ 214,483,440	\$ 37,773,200	\$ (25,442,078)	\$ 226,814,562

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

General government	\$ 609,113
Public safety	777,535
Public works	10,032,332
Culture and recreation	2,623,341
Community and economic development	6,582
Total depreciation/amortization expense - governmental activities	<u>\$ 14,048,903</u>

CITY OF AMES, IOWA  
NOTES TO THE FINANCIAL STATEMENTS (continued)  
JUNE 30, 2024

<i><b>Business-type activities:</b></i>	Balance June 30, 2023	Increases	Decreases	Balance June 30, 2024
Non-depreciable capital assets:				
Land	\$ 17,030,519	\$ 1,036,989	\$ (1,950,858)	\$ 16,116,650
Construction in progress	37,217,579	27,532,199	(31,084,827)	33,664,951
Total non-depreciable capital assets	54,248,098	28,569,188	(33,035,685)	49,781,601
Depreciable/amortizable capital assets:				
Plant and distribution systems	470,465,425	10,616,389	(67,206)	481,014,608
Buildings	299,570,404	17,094,132	(1,548,591)	315,115,945
Lease assets	2,424,925	708,664	(193,151)	2,940,438
Subscription-based IT assets	1,887,013	1,342,221	(7,892)	3,221,342
Equipment	169,709,825	5,362,915	(7,182,902)	167,889,838
Improvements	21,869,547	7,068,984	-	28,938,531
	965,927,139	42,193,305	(8,999,742)	999,120,702
Less accumulated depreciation/amortization:				
Plant and distribution systems	232,980,888	10,560,700	(67,207)	243,474,381
Buildings	145,018,382	11,419,040	(1,533,409)	154,904,013
Lease assets	1,139,792	628,449	(178,305)	1,589,936
Subscription-based IT assets	470,529	694,029	(7,892)	1,156,666
Equipment	128,689,312	8,821,964	(6,709,067)	130,802,209
Improvements	11,883,801	905,470	-	12,789,271
	520,182,704	33,029,652	(8,495,880)	544,716,476
Total depreciable/amortizable capital assets	445,744,435	9,163,653	(503,862)	454,404,226
Total capital assets	\$ 499,992,533	\$ 37,732,841	\$ (33,539,547)	\$ 504,185,827

#### 4.6 Pension obligations

The City participates in two public pension systems, Iowa Public Employees Retirement System (IPERS) and Municipal Fire and Police Retirement System of Iowa (MFPRSI). The following sections outline the pension-related disclosures for each plan. The aggregate amount of recognized expense for the period associated with the net pension liability for both plans is \$8,708,720. 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, 2024. 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, 2024, regular members contributed 6.29% and the City contributed 9.44% of covered wages. Rates for the fiscal year beginning July 1, 2024, 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, 2024. Rates for the fiscal year beginning July 1, 2024, are the same. The City's total contributions to IPERS for the years ended June 30, 2024, 2023, and 2022 were \$11,525,155, \$11,205,032, and \$10,223,542, 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, 2024, the City reported a liability of \$59,638,185, of which \$43,071,165 is Mary Greeley Medical Center's proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all employers participating in IPERS, actuarially determined. At June 30, 2023, the City's proportion was 1.3213%, which is an increase of 0.0155% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the City recognized pension expense of \$6,604,214. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF AMES, IOWA  
NOTES TO THE FINANCIAL STATEMENTS (continued)  
JUNE 30, 2024

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 5,370,165	\$ 246,535
Changes in assumptions	-	91,293
Net difference between projected and actual earnings on pension plan investments	5,657,883	-
Changes in proportion and differences between City contributions and proportionate share of contributions	5,042,941	1,006,665
City contributions subsequent to the measurement date	11,525,155	-
	<u>\$ 27,596,144</u>	<u>\$ 1,344,493</u>

\$11,525,155 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, 2025. 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 June 30,	
2025	\$ (197,263)
2026	(3,504,841)
2027	14,869,060
2028	3,104,949
2029	454,591
	<u>\$ 14,726,496</u>

There were no non-employer contributing entities at IPERS.

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

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%, per annum, compounded annually, net of investment expense, including inflation

The actuarial assumptions used in the June 30, 2023, valuations are based on the results of the quadrennial experience study from 2022. This study included information on mortality, retirement, disability, and termination rates for the period of July 1, 2017 through June 30, 2021.

Mortality rates were based on PubG-2010 mortality tables with future mortality improvements modeled using scale MP-2021.

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, 2024, are summarized in the following table:

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

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

*Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate.* The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the City's proportionate share of the net pension

liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
City's proportionate share of the net pension liability	\$128,392,181	\$ 59,638,185	\$ 2,020,677

*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).

*Payables to the pension plan.* At June 30, 2024, the City reported a payable to the defined benefit pension plan of \$2,078,240 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 87 local systems in 49 of Iowa's largest cities. 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, 2024, was 22.98%. The City's total contributions to MFPRSI for the years ended June 30, 2024, 2023, and 2022 were \$2,148,157, \$2,197,536, and \$2,268,424, 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, 2024.

*Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions.* At June 30, 2024, the City reported a liability of \$15,880,608 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all MFPRSI participating employers. At June 30, 2023, the City's proportion was 2.5360%, which is a decrease of 0.0298% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the City recognized pension expense of \$2,104,506. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,213,301	\$ -
Changes in assumptions	80,002	1
Net difference between projected and actual earnings on pension plan investments	1,011,195	-
Changes in proportion and differences between City contributions and proportionate share of contributions	19,773	537,431
City contributions subsequent to the measurement date	2,148,157	-
	<u>\$ 4,472,428</u>	<u>\$ 537,432</u>

\$2,148,157 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, 2025. 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 June 30,	
2025	(\$30,942)
2026	(754,181)
2027	2,191,216
2028	366,618
2029	14,128
	<u>\$1,786,839</u>

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

Rate of inflation	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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the 10-year period ending June 30, 2022. 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 Real Rate of Return
Broad fixed income	4.9%
Broad U.S. equity	7.1
Global equity	7.2
Broad non-US equity	7.4
Managed futures	5.2
Core real estate	6.8
Opportunistic real estate	11.1
Global infrastructure	6.9
Private credit	10.1
Private equity	12.1

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

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

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
City's proportionate share of the net pension liability	\$ 27,812,171	\$ 15,880,608	\$ 6,003,615

*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, 2024, the City did not have a payable to the defined benefit pension plan.

***Ames Municipal Utility Retirement Plan***

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

*Summary of significant accounting policies - basis of accounting and valuation of investments.* The utility plan uses the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. The City's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with terms of the plan. All plan investments are

reported at fair value. Securities traded on a national exchange are valued at the last reported sales price. Securities without an established market value are reported at estimated fair value.

*Funding policy.* Participants contribute 5.40%, and the City contributes 7.93% of eligible compensation. Participants may also make voluntary, unmatched contributions up to 25% of the participant's annual compensation. Participant contributions were \$311,901, and City contributions were \$458,032 for the fiscal year ended June 30, 2024.

#### **4.7 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 \$376,296. Other aggregate amounts related to OPEB are separately displayed in the financial statements.

##### **City's OPEB Plan**

###### ***General Information about the OPEB Plan***

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

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

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

*Employees covered by benefit terms.* At June 30, 2024, the following employees were covered by the City's benefit terms:

Inactive employees or beneficiaries currently receiving	
benefit payments	20
Active employees	601
	<u>621</u>

### ***Total OPEB Liability***

The City's total OPEB liability of \$5,232,291 was measured as of June 30, 2024 and was determined by an actuarial valuation as June 30, 2023.

*Actuarial assumptions and other inputs.* The total OPEB liability in the June 30, 2024 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	3.93% per annum
Retirees share of benefit-related	100% of projected health insurance premiums

The following annual health care cost trends are applied on a select and ultimate basis. Select trends are reduced 0.30% each year through 2033, and 0.10% thereafter until reaching the ultimate trend rate.

<b>Expense Type</b>	<b>Select</b>	<b>Ultimate</b>
Pre-Medicare Medical and Rx Benefits	7.75%	4.00%
Medicare Benefits	6.75%	4.00%
Stop Loss Fees	7.75%	4.00%
Administrative Fees	4.00%	4.00%

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, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2021 to June 30, 2022.

### ***Changes in the Total OPEB Liability***

Balance, beginning of year	\$ 2,960,490
Changes for year:	
Service cost	195,071
Interest	109,999
Differences between expected and actual experience	2,017,659
Changes in assumptions or other inputs	232,831
Benefit payments	(283,759)
Net changes	2,271,801
Balance, end of year	\$ 5,232,291

*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 (2.93 percent) or one percentage point higher (4.93 percent) than the current discount rate:

	1% Decrease (2.93%)	Discount Rate (3.93%)	1% Increase (4.93%)
Total OPEB liability	\$ 5,781,000	\$ 5,233,000	\$ 4,745,000

*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 (6.75% Decreasing to 3.0%)	Healthcare Cost Trend Rates (7.75% Decreasing to 4.0%)	1% Increase (8.75% Decreasing to 5.0%)
Total OPEB liability	\$ 4,564,000	\$ 5,233,000	\$ 6,039,000

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

For the fiscal year ended June 30, 2024, the City recognized OPEB expense of \$602,000. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between actual and expected experience	\$ 2,105,843	\$ 222,777
Changes of assumptions or other inputs	696,366	124,127
	<u>\$ 2,802,209</u>	<u>\$ 346,904</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:		
2025	\$	297,312
2026		297,312
2027		297,312
2028		297,312
2029		297,312
Thereafter		968,745
	\$	<u>2,455,305</u>

## Hospital's OPEB plan

### *General Information about the OPEB Plan*

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

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

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

The required contribution is based on projected pay-as-you-go financing. For the fiscal year ended June 30, 2024, the hospital contributed approximately \$715,000. Retirees receiving benefits contributed approximately \$381,000 through their required contributions. Inactive members receiving benefits contributed through their required monthly contributions of:

Employee	\$	724
Employee + spouse		1,446
Employee + children		1,328
Family		2,202

*Employees covered by benefit terms.* At June 30, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving	
benefit payments	419
Active employees	<u>1,307</u>
	<u><u>1,726</u></u>

***Total OPEB Liability***

The hospital's total OPEB liability of \$4,178,041 was measured as of January 1, 2024 and was determined by an actuarial valuation as of that date.

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

Inflation	3.00% per annum (effective January 1, 2024)
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	4.00% (effective January 1, 2024)
Health care cost trend rates	8.00% for medical and prescription benefits for 2024, decreasing 0.50% per year to an ultimate rate of 4.5% for 2031 and later years (effective January 1, 2024)

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, 2024 valuations 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	\$	3,989,678
Service cost		192,131
Interest		176,573
Differences between expected and actual experience		(339,409)
Changes in assumptions or other inputs		330,835
Benefit payments		(171,767)
Net changes		188,363
Balance, end of year	\$	4,178,041

Effect of assumptions changes and inputs for the year ended June 30, 2024, reflect a change in the inflation rate from 2.00% to 3.00% and a change in the discount rate from 4.31% to 4.00%.

*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 (3.00%) or one percentage point higher (5.00%) than the current discount rate:

	1% Decrease (3.00%)	Discount Rate (4.00%)	1% Increase (5.00%)
Total OPEB liability	\$ 4,583,930	\$ 4,178,041	\$ 3,967,229

*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 (7.00% decreasing to 3.50%) or one percentage point higher (9.00% decreasing to 5.50%) than the current healthcare cost trend rates:

	1% Decrease (7.0% Decreasing to 3.5%)	Healthcare Cost Trend Rates (8.0% Decreasing to 4.5%)	1% Increase (9.0% Decreasing to 5.5%)
Total OPEB liability	\$ 3,936,732	\$ 4,178,041	\$ 4,620,069

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

For the fiscal year ended June 30, 2024, the hospital recognized OPEB expense of (\$225,704). At June 30, 2024, the hospital reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 197,230
Changes of assumptions or other inputs	220,557	258,968
Contributions made subsequent to measurement date	232,050	-
Total	<u>\$ 452,607</u>	<u>\$ 456,198</u>

The amount of \$232,050 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, 2025. 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:	
2025	\$ (232,784)
2026	(2,857)
Thereafter	-
	<u>\$ (235,641)</u>

**4.8 Construction and other significant commitments**

*Construction commitments.* As of June 30, 2024, the City's commitments with contractors were:

Project	Spent to Date	Remaining Commitment
Streets & bridges	\$ 7,999,947	\$ 8,535,035
Parks	1,696,900	15,447,303
Electric	2,316,439	4,087,390
Water	6,900,161	5,554,557
Sewer	6,183,618	1,855,933
Stormwater	352,751	303,491
Transit	1,003,729	217,760
Airport	657,503	594,202
Traffic signal	1,473,941	1,030,269
Facilities	109,498	5,755
	<u>\$28,694,487</u>	<u>\$37,631,695</u>

All of the remaining commitment amounts above were encumbered at year-end. As discussed earlier in Note 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.* 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	\$ 2,302,952
Capital projects fund	32,378,897
Non-major governmental funds	3,535,259
Electric	7,296,667
Water	6,516,764
Sewer	1,887,424
Non-major business-type funds	7,819,312
	<u>\$61,737,275</u>

#### 4.9 Risk management

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

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

The City is a member of the Iowa Communities Assurance Pool (ICAP), as allowed by the Code of Iowa. ICAP is a local government, risk-sharing pool whose members include various governmental entities throughout the state of Iowa. It was formed for the purpose of managing and funding third-party liability claims against its members. It provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials' liability, police professional liability, property, inland marine, and boiler/machinery. There have been no reductions in insurance coverage from prior years.

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, 2024, 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, 2024 and 2023 were:

	2024	2023
Liability, July 1	\$ 1,282,758	\$ 1,448,395
Claims incurred & claims adjustments	801,340	760,530
Claim payments	(574,386)	(926,167)
Liability, June 30	<u>\$ 1,509,712</u>	<u>\$ 1,282,758</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 and aggregate stop loss coverage for total annual claims over 120% through Wellmark, Inc. (DBA Wellmark Blue Cross and Blue Shield of Iowa). The estimated liability for probable losses as recorded in the health benefits fund was:

	2024	2023
Liability, July 1	\$ 418,892	\$ 568,855
Claims incurred & claims adjustments	10,604,329	9,777,380
Claim payments	(10,411,500)	(9,927,343)
Liability, June 30	<u>\$ 611,721</u>	<u>\$ 418,892</u>

The hospital carries professional liability insurance on a claims-made policy. Should the claims-made policy not be renewed or replaced with equivalent insurance, claims based on occurrences during its term, but reported subsequently, would be uninsured. The hospital has accrued \$250,000 as an estimate for professional liability claims that were incurred but not reported as of June 30, 2024.

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 \$2,001,000 at June 30, 2024.

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 \$296,000 at June 30, 2024.

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, 2024 and 2023 were as follows:

	Professional Liability		Health Insurance	
	2024	2023	2024	2023
Liability, July 1	\$ 199,803	\$ 185,253	\$ 1,511,683	\$ 1,329,885
Claims incurred & claims adjustments	51,436	24,899	13,341,637	13,113,303
Claim payments	(1,325)	(10,349)	(12,852,653)	(12,931,505)
Liability, June 30	<u>\$ 249,914</u>	<u>\$ 199,803</u>	<u>\$ 2,000,667</u>	<u>\$ 1,511,683</u>
	Workers' Compensation			
	2024	2023		
Liability, July 1	\$ 483,749	\$ 266,292		
Claims incurred & claims adjustments	288,874	637,038		
Claim payments	(476,487)	(419,581)		
Liability, June 30	<u>\$ 296,136</u>	<u>\$ 483,749</u>		

#### 4.10 Leases

As of June 30, 2024, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right-to-use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

##### Lessee

As of June 30, 2024 the City was a lessee for several equipment leases. The City recognizes lease liabilities and intangible right-to-use lease assets (lease assets) 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.

### **Lessor**

As of June 30, 2024, 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 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.

### Lease payable

As of June 30, 2024, the City, not including MGMC had three active leases. The leases have payments that range from \$6,192 to \$48,258 and interest rates that range from 2.00% to 3.26%. The total combined value of the lease liability is \$125,608. The combined value of the right to use asset is \$223,319 with accumulated amortization of \$62,830. Principal and Interest requirements to maturity are as follows:

Leases Payable						
Fiscal Year Ending June 30,	Business-Type Activities			Governmental Activities		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 14,135	\$ 481	\$ 14,616	\$ 52,321	\$ 2,145	\$ 54,466
2026	7,259	49	7,308	51,893	1,023	52,916
	<u>\$ 21,394</u>	<u>\$ 530</u>	<u>\$ 21,924</u>	<u>\$ 104,214</u>	<u>\$ 3,168</u>	<u>\$ 107,382</u>

### Lease receivable

On June 30, 2024, the City, not including MGMC, had 10 active leases. The leases have receipts that range from \$720 to \$69,200 and interest rates that range from 1.39% to 5.00%. The total combined value of the lease receivable is \$2,000,451, the total combined value of the short-term lease receivable is \$108,918, and the combined value of the deferred inflow of resources is \$1,890,334.

City Leases Receivable						
Fiscal Year Ending June 30,	Business-Type Activities			Governmental Activities		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 104,874	\$ 31,013	\$ 135,887	\$ 4,044	\$ 23,118	\$ 27,162
2026	108,386	29,296	137,682	5,086	22,893	27,979
2027	96,042	26,965	123,007	6,205	22,613	28,818
2028	87,869	25,149	113,018	7,409	22,276	29,685
2029	89,718	23,369	113,087	8,694	21,876	30,570
2030-2034	499,084	86,326	585,410	70,185	100,725	170,910
2035-2039	258,649	45,941	304,590	136,220	75,277	211,497
2040-2044	67,825	33,673	101,498	213,288	32,218	245,506
Thereafter	223,874	78,731	302,605	12,999	108	13,107
	<u>\$1,536,321</u>	<u>\$ 380,463</u>	<u>\$1,916,784</u>	<u>\$ 464,130</u>	<u>\$ 321,104</u>	<u>\$ 785,234</u>

General fund

On July 1, 2021, the City entered into a 279-month lease as Lessor for the use of Verizon Tower Site. An initial lease receivable was recorded in the amount of \$472,700. As of June 30, 2024, the value of the lease receivable is \$464,130. The lessee is required to make annual payments according to the rent schedule. The lease has an interest rate of 5.0000%. The value of the deferred inflow of resources as of June 30, 2024, was \$409,914, and the City recognized lease revenue of \$20,331 during the fiscal year.

Airport fund

On July 1, 2021, the City entered into a 312-month lease as Lessor for the use of Hap's Air Service. An initial lease receivable was recorded in the amount of \$42,101. As of June 30, 2024, the value of the lease receivable is \$35,809. The lessee is required to make annual payments according to the rent schedule. The lease has an interest rate of 5.0000%. The value of the deferred inflow of resources as of June 30, 2024 was \$37,243, and the City recognized lease revenue of \$1,619 during the fiscal year.

On July 1, 2022, the City entered into a 300-month lease as Lessor for the use of 2516 Airport Dr. (Brian Aukes). An initial lease receivable was recorded in the amount of \$26,532. As of June 30, 2024, the value of the lease receivable is \$24,574. The lessee is required to make annual payments according to the rent schedule. The lease has an interest rate of 2.3657%. The value of the deferred inflow of resources as of June 30, 2024, was \$24,409, and the City recognized lease revenue of \$1,061 during the fiscal year. The lessee has 4 extension option(s), each for 60 months.

On July 1, 2022, the City entered into a 300-month lease as Lessor for the use of 2514 Airport Dr. (Viking Aviation). An initial lease receivable was recorded in the amount of \$35,752. As of June 30, 2024, the value of the lease receivable is \$33,794. The lessee is required to make annual payments according to the rent schedule. The lease has an interest rate of 2.3657%. The value of the deferred inflow of resources as of June 30, 2024, was \$33,550, and the City recognized lease revenue of \$1,141 during the fiscal year. The lessee has 4 extension option(s), each for 60 months.

On July 1, 2022, the City entered into a 300-month lease as Lessor for the use of Ames Hanger Club. An initial lease receivable was recorded in the amount of \$46,433. As of June 30, 2024, the value of the lease receivable is \$43,006. The lessee is required to make annual payments according to the rent schedule. The lease has an interest rate of 2.3657%. The value of the deferred inflow of resources as of June 30, 2024, was \$42,718, and the City recognized lease revenue of \$1,857 during the fiscal year. The lessee has 4 extension option(s), each for 60 months.

On July 1, 2022, the City entered into a 600-month lease as Lessor for the use of 2475 Airport Drive. An initial lease receivable was recorded in the amount of \$155,198. As of June 30, 2024, the value of the lease receivable is \$158,593. The lessee is required to make annual payments according to the rent schedule. The lease has an interest rate of 2.3657%. The value of the deferred inflow of resources as of June 30, 2024, was \$148,990, and the City recognized lease revenue of \$3,104 during the fiscal year. The lessee has 9 extension option(s), each for 60 months.

On July 1, 2022, the City entered into a 300-month lease as Lessor for the use of 714 Airport Rd. An initial lease receivable was recorded in the amount of \$61,910. As of June 30, 2024, the value of the lease receivable is \$57,341. The lessee is required to make annual payments according to the rent schedule. The lease has an interest rate of 2.3657%. The value of the deferred inflow of resources as of June 30, 2024, was \$56,957, and the City recognized lease revenue of \$2,476 during the fiscal year. The lessee has 4 extension option(s), each for 60 months.

On July 1, 2022, the City entered into a 180-month lease as Lessor for the use of Central Iowa Air Services. An initial lease receivable was recorded in the amount of \$997,318. As of June 30, 2024, the value of the lease receivable is \$891,930. The lessee is required to make annual payments according to the rent schedule. The lease has an interest rate of 1.3940%. The value of the deferred inflow of resources as of June 30, 2024, was \$870,818, and the City recognized lease revenue of \$66,488 during the fiscal year. the City has 1 extension option for 180 months.

On July 1, 2022, the City entered into a 300-month lease as Lessor for the use of 2512 Airport Dr. (Plane Crazy). An initial lease receivable was recorded in the amount of \$14,740. As of June 30, 2024, the value of the lease receivable is \$13,653. The lessee is required to make annual payments according to the rent schedule. The lease has an interest rate of 2.3657%. The value of the deferred inflow of resources as of June 30, 2024, was \$13,561, and the City recognized lease revenue of \$590 during the fiscal year. The lessee has 4 extension option(s), each for 60 months.

#### Water fund

On July 1, 2021, the City entered into a 156-month lease as Lessor for the use of Tower - MAC(Sprint). An initial lease receivable was recorded in the amount of \$259,013. As of June 30, 2024, the value of the lease receivable is \$221,655. The lessee is required to make annual payments according to the rent schedule. The lease has an interest rate of 4.0000%. The value of the deferred inflow of resources as of June 30, 2024, was \$199,299, and the City recognized lease revenue of \$19,824 during the fiscal year.

On July 1, 2021, the City entered into a 65-month lease as Lessor for the use of Tower Lease - Western. An initial lease receivable was recorded in the amount of \$118,513. As of June 30, 2024, the value of the lease receivable is \$55,966. The lessee is required to make annual payments according to the rent schedule. The lease has an interest rate of 3.3200%. The value of the deferred inflow of resources as of June 30, 2024, was \$52,875, and the City recognized lease revenue of \$21,879 during the fiscal year.

#### **4.11 Subscription-based information technology arrangements (SBITA)**

For the year ended June 30, 2024, the financial statements include the adoption of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this

Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. For additional information, refer to the disclosures below.

### Subscription Payable

As of June 30, 2024, the City, not including MGMC, had twelve active subscriptions that have payments that range from \$1,500 to \$166,822 and interest rates that range from 1.7100% to 3.1440%. As of June 30, 2024 the total combined value of the subscription liability is \$630,784. The combined value of the right-to-use asset is \$1,233,076 with accumulated amortization of \$509,879.

The future principal and interest subscription-based information technology arrangement (SBITA) payments as of June 30, 2024, are as follows:

City IT Subscription Asset						
Fiscal Year Ending June 30,	Business-Type Activities			Governmental Activities		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 122,356	\$ 5,983	\$ 128,339	\$ 204,159	\$ 9,733	\$ 213,892
2026	113,428	3,014	116,442	41,769	4,469	46,238
2027	4,723	277	5,000	43,155	3,499	46,654
2028	4,859	141	5,000	44,150	2,504	46,654
2029	-	-	-	9,850	1,511	11,361
2030-2034	-	-	-	42,335	3,107	45,442
	<u>\$ 245,366</u>	<u>\$ 9,415</u>	<u>\$ 254,781</u>	<u>\$ 385,418</u>	<u>\$ 24,823</u>	<u>\$ 410,241</u>

The future principal and interest lease and SBITA payments, including MGMC as of June 30, 2024, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	\$ 1,694,087	\$ 101,606	\$ 1,795,693
2026	989,314	56,923	1,046,237
2027	378,814	23,646	402,460
2028	230,078	10,299	240,377
2029	50,329	2,123	52,452
2030-2034	42,335	3,107	45,442
	<u>\$3,384,957</u>	<u>\$ 197,704</u>	<u>\$3,582,661</u>

## 4.12 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

CITY OF AMES, IOWA  
NOTES TO THE FINANCIAL STATEMENTS (continued)  
JUNE 30, 2024

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, 2024, are as follows:

Governmental Activities					
General Obligation Bonds	Sale Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding June 30, 2024
Corporate purpose	2014	\$ 9,395,000	2.000-2.500 %	2026	\$ 1,315,000
Corporate purpose/refunding	2015	15,670,000	3.000-5.000	2035	3,100,000
Corporate purpose	2016	9,020,605	2.000-5.000	2028	2,634,980
Corporate purpose/refunding	2017	10,975,000	2.000-5.000	2029	3,255,000
Corporate purpose	2018	7,490,000	3.000-5.000	2030	4,190,000
Corporate purpose/TIF	2019	290,000	1.500-5.000	2031	200,000
Corporate purpose	2019	10,230,000	1.500-5.000	2031	6,250,000
Corporate purpose	2020	9,500,000	1.000-5.000	2032	6,720,000
Corporate purpose/refunding	2020	7,929,118	1.000-5.000	2032	1,975,000
Corporate purpose	2021	9,850,000	1.375-5.000	2033	7,740,000
Corporate purpose/refunding	2021	9,372,505	1.375-5.000	2033	6,192,227
Corporate purpose	2022	12,440,000	4.000-5.000	2034	10,450,000
Corporate purpose	2023	12,110,000	5.000	2035	10,980,000
		<u>\$124,272,228</u>			<u>\$ 65,002,207</u>

Business-Type Activities					
General Obligation Bonds	Sale Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding June 30, 2024
Corporate purpose/refunding	2015	\$ 1,860,000	3.000-5.000	2027	\$ 555,000
Corporate purpose	2015	915,000	3.000-5.000	2027	585,000
Corporate purpose/refunding	2016	2,629,395	2.000-5.000	2028	610,020
Corporate purpose	2019	255,000	1.500-5.000	2031	175,000
Corporate purpose/refunding	2021	417,495	5.000	2025	107,773
		<u>\$ 6,076,890</u>			<u>\$ 2,032,793</u>

On November 9, 2023, the City issued \$12,110,000 of general obligation, corporate purpose bonds for improvements to streets, sewers, water systems, and sidewalks, as well as undertaking a project in the Downtown Reinvestment District and acquiring street department equipment, which had an interest rate of 5.000%. Maturity dates on the bonds range from June 1, 2024 to June 1, 2035. Debt Service payments are scheduled to be paid semi-annually in amounts that range from \$1,314,000 to \$1,469,753. Bonds due after June 1, 2031 may be subject to call prior to maturity at the option of the City.

### 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, 2024 are as follows:

Revenue Bonds	Sale Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding June 30, 2024
Hospital improvement and refunding	2012	\$ 19,945,000	2.070 %	2027	\$ 1,450,000
Electric	2015	9,500,000	2.125-5.000	2027	2,750,000
Hospital refunding	2016	64,790,000	3.000-5.000	2036	53,810,000
Hospital expansion/remodel	2019	35,000,000	1.990	2034	24,945,000
		<u>\$129,235,000</u>			<u>\$ 82,955,000</u>

On November 1, 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, 2024).

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 20, 2012, and in the supplemental trust indenture dated June 15, 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, 2024 is \$98,151,136. Principal and interest paid during the fiscal year was \$9,016,000 and net revenue for the same period, as defined above, was \$27,855,000.

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, 2024, is \$2,900,488. Principal and interest paid during the fiscal year ended June 30, 2024, was \$964,806 and net revenue for the same period, as defined above, was \$7,454,406.

### 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 \$85,513 at June 30, 2024, with a current portion of \$15,788.

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

#### Revenue capital loan notes

The City has a revenue capital loan note agreement with the Iowa Finance Authority (IFA) in an amount not to exceed \$76,325,000. Proceeds from the loan were used for paying the cost of planning, designing, and constructing improvements and extensions to the water utility. The loan bears interest at 1.75% per annum plus a servicing fee of 0.25% per annum. A loan initiation fee of \$100,000 was withheld from the proceeds and added to the amount owed by the City. Repayment of the loan came from the water fund. The City 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, 2024 is \$41,662,000.

The City has a second revenue capital loan note agreement with the IFA in an amount not to exceed \$3,500,000. The funds are to 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 was withheld from the proceeds and added to the amount owed by the City. Repayment of the loan will come from the water fund. The City borrowed \$540,286 during the fiscal year, and the amount of principal outstanding as of June 30, 2024 is \$2,354,365. The City has \$854,635 in capital loan notes still available as of June 30, 2024.

The City has a third revenue capital loan note agreement with the IFA in an amount not to exceed \$12,161,000. The funds are to be used for the North River Valley Well Field and Pipeline project. The loan bears interest at 1.75% per annum plus a servicing fee of 0.25% per annum. A loan initiation fee of \$60,805 was withheld from the proceeds and added to the amount owed by the City. Repayment of the loan will come from the water fund. The City borrowed \$6,938,446 during the fiscal year, and the amount of principal outstanding as of June 30, 2024 is \$6,649,251. The City has \$5,161,749 in capital loan notes still available as of June 30, 2024.

The capital loan note agreements above require 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, 2024, net revenues were \$6,499,391 and principal and interest due of \$4,317,916.

The City has a fourth 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 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 amount of principal outstanding as of June 30, 2024 is \$1,147,000.

The City has a fifth 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 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, 2024 is \$4,072,000.

The City has a sixth 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 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, 2024 is \$400,000.

The City has a seventh 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 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, 2024 is \$551,000.

The City has an eighth revenue capital loan note agreement with the IFA in an amount not to exceed \$8,357,000. The funds were used for sanitary sewer collection system improvements. The loan bears interest at 2.75% per annum plus a servicing fee of 0.25% per annum. A loan initiation fee of \$41,785 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, 2024 is \$7,320,000.

The City has a ninth revenue capital loan note agreement with the IFA in an amount not to exceed \$4,071,000. The funds are to be used for sanitary sewer rehabilitation near Ames High School and Veenker Golf Course. 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 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 borrowed \$1,401,221 during the fiscal year, and the amount of principal outstanding as of June 30, 2024 is \$1,242,576. The City has \$2,649,424 in capital loan notes still available as of June 30, 2024.

The City has a tenth revenue capital loan note agreement with the IFA in an amount not to exceed \$2,150,000. The funds are to be used for sanitary sewer rehabilitation near South Skunk River. The loan bears interest at 1.75% per annum plus a servicing fee of 0.25% per annum. A loan initiation fee of \$10,750 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 borrowed \$1,409,022 during the fiscal year, and the amount of principal outstanding as of June 30, 2024 is \$1,408,022.

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, 2024, the sewer fund had net revenues of \$4,055,674, and the amount of principal and interest due was \$1,269,269.

*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, 2022, related to the 2023-2024 fiscal year. At June 30, 2024, the outstanding debt of \$67,035,000 is below the limit of \$277,058,572, leaving a debt margin of over \$210 million.

*Changes in long-term liabilities.* Changes in the City's long-term liabilities for the fiscal year ended June 30, 2024, are as follows:

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024	Due Within One Year
<b><i>Governmental activities:</i></b>					
Bonds payable:					
General obligation bonds	\$ 62,503,725	\$ 12,110,000	\$ (9,611,518)	\$ 65,002,207	\$ 8,818,692
Premium	6,178,494	681,309	(986,512)	5,873,291	855,125
Total bonds payable	68,682,219	12,791,309	(10,598,030)	70,875,498	9,673,817
Compensated absences	2,636,338	3,569,789	(3,407,234)	2,798,893	137,621
Lease liability	16,266	141,953	(54,005)	104,214	52,321
Subscription liability	584,031	-	(198,614)	385,417	204,159
Governmental activities long-term debt	<u>\$ 71,918,854</u>	<u>\$ 16,503,051</u>	<u>\$ (14,257,883)</u>	<u>\$ 74,164,022</u>	<u>\$ 10,067,918</u>

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,

CITY OF AMES, IOWA  
NOTES TO THE FINANCIAL STATEMENTS (continued)  
JUNE 30, 2024

Public Housing Fund, Internal Service Funds, and the Community Development Block Grant. Historically, lease liabilities and subscription-based information technology agreements (SBITAs) are liquidated from its respective fund which it is included within the financial statements.

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024	Due Within One Year
<b><i>Business-type activities:</i></b>					
Bonds payable:					
Revenue bonds	\$ 89,840,000	\$ -	\$ (6,885,000)	\$ 82,955,000	\$ 7,130,000
Premium	4,495,613	-	(649,066)	3,846,547	618,796
Total revenue bonds	94,335,613	-	(7,534,066)	86,801,547	7,748,796
General obligation bonds	2,671,275	-	(638,482)	2,032,793	506,307
Premium	232,459	-	(56,506)	175,953	51,668
Total general obligation bonds	2,903,734	-	(694,988)	2,208,746	557,975
Total bonds payable	97,239,347	-	(8,229,054)	89,010,293	8,306,771
Compensated absences	8,939,482	11,566,260	(11,240,264)	9,265,478	691,645
Lease liability	1,203,747	708,581	(671,562)	1,240,766	611,747
Subscription liability	946,672	1,342,301	(634,413)	1,654,560	825,860
Loans payable	95,082	-	(95,082)	-	-
Capital loan notes payable	60,781,091	10,288,975	(4,263,852)	66,806,214	4,451,023
Business-type activities long-term debt	<u>\$ 169,205,421</u>	<u>\$ 23,906,117</u>	<u>\$ (25,134,227)</u>	<u>\$ 167,977,311</u>	<u>\$ 14,887,046</u>

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

Year Ending June 30,	General Obligation Bonds	
	Principal	Interest
2025	\$ 8,818,692	\$ 2,472,330
2026	8,643,850	2,078,334
2027	8,211,187	1,713,772
2028	7,453,478	1,369,581
2029	6,995,000	1,144,638
2030-2034	23,620,000	2,471,075
2035-2039	1,260,000	63,000
Total	<u>\$ 65,002,207</u>	<u>\$ 11,312,730</u>

CITY OF AMES, IOWA  
NOTES TO THE FINANCIAL STATEMENTS (continued)  
JUNE 30, 2024

Year Ending June 30,	General Obligation Bonds		Revenue Bonds	
	Principal	Interest	Principal	Interest
2025	\$ 506,307	\$ 80,402	\$ 7,130,000	\$ 2,857,764
2026	406,151	64,397	7,380,000	2,608,276
2027	418,813	53,585	7,640,000	2,346,344
2028	231,522	42,426	6,445,000	2,068,984
2029	75,000	13,794	6,655,000	1,859,826
2030-2034	335,000	38,606	36,880,000	5,701,629
2035-2039	60,000	1,950	10,825,000	653,800
Total	<u>\$ 2,032,793</u>	<u>\$ 295,160</u>	<u>\$ 82,955,000</u>	<u>\$ 18,096,623</u>

Year Ending June 30,	Capital Loan Notes		Loans	
	Principal	Interest	Principal	Interest
2025	\$ 4,451,023	\$ 1,372,824	\$ -	\$ -
2026	4,655,000	1,273,827	-	-
2027	4,741,000	1,181,513	-	-
2028	4,829,000	1,087,461	-	-
2029	4,918,000	991,620	-	-
2030-2034	25,089,575	3,466,665	-	-
2035-2039	16,305,616	999,712	-	-
2040-2042	1,817,000	106,610	-	-
Total	<u>\$ 66,806,214</u>	<u>\$ 10,480,232</u>	<u>\$ -</u>	<u>\$ -</u>

Year Ending June 30,	Total Business - Type Activities		Total Primary Government Debt	
	Principal	Interest	Principal	Interest
2025	\$ 12,087,330	\$ 4,310,990	\$ 20,906,022	\$ 6,783,320
2026	12,441,151	3,946,500	21,085,001	6,024,834
2027	12,799,813	3,581,442	21,011,000	5,295,214
2028	11,505,522	3,198,871	18,959,000	4,568,452
2029	11,648,000	2,865,240	18,643,000	4,009,878
2030-2034	62,304,575	9,206,900	85,924,575	11,677,975
2035-2039	27,190,616	1,655,462	28,450,616	1,718,462
2040-2042	1,817,000	106,610	1,817,000	106,610
Total	<u>\$151,794,007</u>	<u>\$ 28,872,015</u>	<u>\$216,796,214</u>	<u>\$ 40,184,745</u>

#### **4.13 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 20.00% of operating expenditures.

CITY OF AMES, IOWA  
NOTES TO THE FINANCIAL STATEMENTS (continued)  
JUNE 30, 2024

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

	General	Capital Projects	Debt Service	Special Revenues	Permanent Funds	Total
<b>Nonspendable:</b>						
Inventory	\$ 23,601	\$ -	\$ -	\$ 203,029	\$ -	\$ 226,630
Prepaid items	176,627	24,000	-	12,297	-	212,924
Perpetual care principal	-	-	-	-	1,109,260	1,109,260
Aquatic center endowment	-	-	-	-	1,000,000	1,000,000
Total nonspendable fund balance	200,228	24,000	-	215,326	2,109,260	2,548,814
<b>Restricted:</b>						
Debt service	-	-	3,870,709	1,516,958	-	5,387,667
Aquatic center	-	-	-	-	123,930	123,930
Street construction	-	-	-	9,413,148	-	9,413,148
Environment and economic betterment	-	2,457,821	-	12,625,829	-	15,083,650
General obligation bond projects	-	21,931,506	-	-	-	21,931,506
Housing assistance	-	-	-	874,378	-	874,378
Public safety	-	-	-	321,343	-	321,343
Public safety pension	-	-	-	15,894	-	15,894
Library	-	-	-	509,894	-	509,894
Parks and recreation	-	551,378	-	-	-	551,378
Project Share	-	-	-	4,820	-	4,820
Developers' projects	-	-	-	246,259	-	246,259
Total restricted fund balance	-	24,940,705	3,870,709	25,528,523	123,930	54,463,867
<b>Committed:</b>						
Bike trails	-	-	-	10,026	-	10,026
Parks and recreation	-	1,948,665	-	229,383	-	2,178,048
Housing assistance	-	-	-	416,867	-	416,867
Green energy projects	-	-	-	13,190	-	13,190
Environment and economic betterment	-	-	-	6,698,473	-	6,698,473
Public Art Donations	-	-	-	3,982	-	3,982
Total committed fund balance	-	1,948,665	-	7,371,921	-	9,320,586
<b>Assigned:</b>						
Administration	130,430	-	-	-	-	130,430
City Hall maintenance	19,835	-	-	-	-	19,835
Police operations	21,165	-	-	-	-	21,165
Cemetery	25,599	-	-	-	-	25,599
Library maintenance	20,280	-	-	-	-	20,280
Parks and recreation	917,590	-	-	-	-	917,590
Parks and recreation maintenance	16,405	-	-	-	-	16,405
Public relations	3,214	-	-	-	-	3,214
PW/Airport	6,876	-	-	-	-	6,876
Fire	77,115	-	-	-	-	77,115
Total assigned fund balance	1,238,509	-	-	-	-	1,238,509
Unassigned	15,607,102	(347,344)	-	-	-	15,259,758
Total fund balance	\$17,045,839	\$26,566,026	\$ 3,870,709	\$33,115,770	\$ 2,233,190	\$82,831,534

#### 4.14 Inter-fund receivables and payables

The composition of inter-fund balances as of June 30, 2024, is as follows:

Receivable Fund	Payable Fund					
	General Fund	Capital Projects	Debt Service	Electric	Sewer	Water
Major Funds:						
General Fund	\$ -	\$ 6,842	\$ -	\$ 361,915	\$ 32,392	\$ 204,413
Debt Service	-	-	-	-	732	1,173
Electric	74,014	-	-	-	28,575	30,155
Sewer	104	-	-	39,135	-	61,037
Water	-	2,986	-	47,986	500,987	-
Non-Major Funds:						
Special Revenue	689,376	374,061	-	8,129	408,526	316,969
Enterprise	4,143	9,132	22,733	83,303	1,826	83
Internal Service	117,646	2,399	-	48,347	29,444	30,620
Total	<u>\$ 885,283</u>	<u>\$ 395,420</u>	<u>\$ 22,733</u>	<u>\$ 588,815</u>	<u>\$ 1,002,482</u>	<u>\$ 644,450</u>

	Payable Fund					
	Non-Major		Non-Major	Internal Service		
	Non-Major	Special	Enterprise			
	Permanent	Revenue	Funds			
Receivable Fund	Funds	Funds	Funds	Funds		Total
Major Funds:						
General Fund	\$ 31,321	\$ 913,055	\$ 167,720	\$ 45,332	\$	1,762,990
Capital Projects	-	750	-	-		750
Debt Service	-	-	-	-		1,905
Electric	-	16	-	-		132,760
Sewer	-	-	-	-		100,276
Water	-	-	-	-		551,959
Non-Major Funds:						
Special Revenue	-	38,318	104,983	9,052		1,949,414
Enterprise	-	10,876	6,420	910		139,426
Internal Service	-	126,136	45,822	387		400,801
Total	\$ 31,321	\$ 1,089,151	\$ 324,945	\$ 55,681	\$	5,040,281

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.

#### 4.15 Inter-fund transfers

The composition of inter-fund transfers for the year ended June 30, 2024, is as follows:

Transfers In	Transfers Out						Total
	General Fund	Capital Projects	Electric	Non-Major Special Revenue	Non-Major Enterprise	Internal Service	
Major Funds:							
General Fund	\$ -	\$ 5,074	\$ 2,292,262	\$ 7,927,457	\$ -	\$ -	\$ 10,224,793
Capital Projects	2,817,340	-	-	1,100,000	-	-	3,917,340
Debt Service	-	886,059	-	335,050	676,913	-	1,898,022
Non-Major Funds:							
Special Revenue	291,936	-	-	185,623	-	-	477,559
Enterprise	2,689,863	-	-	45,489	-	-	2,735,352
Internal Service	-	-	-	-	-	46,199	46,199
Total	\$ 5,799,139	\$ 891,133	\$ 2,292,262	\$ 9,593,619	\$ 676,913	\$ 46,199	\$ 19,299,265

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.

The City also authorized the expenditure of funds from the Federal Relief funds of \$2,512,035. This resulted in a capital contribution from governmental to business-type activities.

#### 4.16 Donor-restricted endowment

Earnings from the investment of the Furman Aquatic Center endowment of \$123,930 at June 30, 2024, 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.

#### 4.17 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 \$7,520,599. Certain agreements include provisions for the payment of interest.

During the fiscal year ended June 30, 2024, the City rebated \$376,836 of incremental property tax to developers, which was all for principal. The total cumulative principal amount rebated on the

agreements is \$3,518,834. The outstanding balance on the agreements at June 30, 2024 was \$4,001,765.

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.

#### **4.18 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.

On April 23, 2024, the City Council approved a Citywide Urban Revitalization Area designation, as provided for in Chapter 404 of the *Code of Iowa*. For qualified owner-occupied properties that are new construction dwellings qualify for a five-year partial tax abatement schedule up to \$500,000. The five-year schedule will be Year 1 – 100%, Year 2 – 80%, Year 3 60%, Year 4 – 40%, and Year 5 – 20%. No tax was abated during FY2024 for this new designation.

For the fiscal year ended June 30, 2024, the City abated \$376,836 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, 2024.

#### **4.19 Implementation of GASB Statement No. 100**

As of July 1, 2023, the City adapted GASB Statement No. 100, “*Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*”. This statement had no impact on the City’s current financial statements as the City did not implement any accounting changes or correct any errors to previously issued financial statements.

#### **4.20 Prospective Accounting Pronouncements**

GASB has issued statements not yet implemented by the City. The statements which might impact the City are as follows:

Statement No. 101, "*Compensated Absences*." The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2025.

Statement No. 102, "*Certain Risk Disclosures*." The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2025.

Statement No. 103 "*Financial Reporting Model Improvements*." The requirement of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2026.

#### **4.21 Contingencies**

The City's Legal Department reported to management that, as of June 30, 2024, 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.

*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.

Health Ventures is in the process of constructing a surgery center, and the Medical Center has committed to pay for 50% of the construction costs of the surgery center in the form of equity contributions to Health Ventures. The Medical Center's portion of the estimated costs of the surgery center project is approximately \$15,000,000, of which the Medical Center has contributed approximately \$10,500,000 as of June 30, 2024 with the remaining to be paid through December 2024.

The Medical Center has committed a transfer of approximately \$4,000,000 to the City of Ames for funding the City's aquatic center through fiscal year 2026.

#### **4.22 Related party transactions**

In May 2019, the Medical Center entered a direct borrowing financing arrangement for the acquisition of computer hardware. This note, which is due to Health Ventures, a related party, carries no interest and requires monthly payments of \$9,508 and matures in fiscal year 2024. The note is secured by the computer hardware.

#### **4.23 Subsequent Events**

On September 25, 2024, the City issued \$17,495,000 of general obligation, corporate purpose bonds for paying the cost of constructing improvements to streets, Ada Hayden Heritage Park, and the municipal airport, equipping an indoor aquatic center, and acquiring street/traffic system equipment. The interest rates on the bonds are 4.000% - 5.000% with final maturity on June 1, 2044.

On November 15, 2024, the City entered into a revenue capital loan note agreement with the IFA in an amount not to exceed \$65,185,000. The funds will be used for water and pollution control facility improvements. The loan bears interest at 2.43% per annum plus a servicing fee of 0.25% per annum. A loan initiation fee of \$100,000 was withheld from the proceeds and added to the amount owed by the City. Repayment of the loan will come from the sewer fund.

Mary Greeley has evaluated subsequent events through October 28, 2024, the date the financial statements were issued. No subsequent events were considered to have a significant impact on Mary Greeley's financial statements.

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# REQUIRED SUPPLEMENTARY INFORMATION



1974-2024

**AMES HUMAN  
RELATIONS  
COMMISSION**

**50  
YEARS**



# CITY OF AMES, IOWA

## SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)

### IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

#### LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability(asset)	1.3213807%	1.3057620%	-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	\$ 59,638,185	\$ 49,488,498	\$ 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*	\$ 119,069,972	\$ 108,490,284	\$ 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	50.09%	45.62%	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	90.13%	91.40%	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.

See Notes to Required Supplementary Information.

CITY OF AMES, IOWA  
SCHEDULE OF CITY CONTRIBUTIONS  
IOWA PUBLIC EMPLOYEE'S RETIREMENT SYSETM  
LAST TEN FISCAL YEARS

IPERS - Combined

Fiscal Year Ended	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 11,525,155	\$ 11,525,155	-	\$122,217,356	9.43%
2023	11,205,032	11,205,032	-	119,069,972	9.41%
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%

See Notes to Required Supplementary Information.

CITY OF AMES, IOWA  
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
MUNICIPAL FIRE AND POLICE RETIREMENT SYSTEM OF IOWA  
LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability	2.536032%	2.565791%	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	\$ 15,880,608	\$ 14,408,725	\$ 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*	\$ 9,165,237	\$ 8,665,848	\$ 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	173.27%	166.27%	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	83.53%	84.62%	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.

See Notes to Required Supplementary Information

CITY OF AMES, IOWA  
SCHEDULE OF CITY CONTRIBUTIONS  
MUNICIPAL FIRE AND POLICE RETIREMENT SYSTEM OF IOWA  
LAST TEN FISCAL YEARS

MFPRSI					
Fiscal Year Ended	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 2,148,157	\$ 2,148,157	-	\$ 9,331,460	23.02%
2023	2,197,536	2,197,536	-	9,165,237	23.98%
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%

See Notes to Required Supplementary Information

CITY OF AMES, IOWA  
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS  
LAST SEVEN FISCAL YEARS\*

City:	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability							
Service cost	\$ 195,071	\$ 199,160	\$ 181,568	\$ 177,816	\$ 140,814	\$ 128,949	\$ 124,144
Interest	109,999	105,760	56,886	57,031	74,532	76,772	75,321
Differences between expected and actual experience	2,017,659	-	398,929	-	(374,352)	-	-
Changes in assumptions or other inputs	232,831	(30,021)	(99,678)	11,592	746,954	70,173	(51,203)
Benefit payments	(283,759)	(205,641)	(197,042)	(197,291)	(150,412)	(133,691)	(97,725)
Net change in total OPEB liability	2,271,801	69,258	340,663	49,148	437,536	142,203	50,537
Total OPEB liability, beginning	2,960,490	2,891,232	2,550,569	2,501,421	2,063,885	1,921,682	1,871,145
Total OPEB liability, ending	<u>\$ 5,232,291</u>	<u>\$ 2,960,490</u>	<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>\$ 43,815,520</u>	<u>\$ 42,863,000</u>	<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	<u>11.94%</u>	<u>6.91%</u>	<u>6.96%</u>	<u>6.25%</u>	<u>6.33%</u>	<u>5.50%</u>	<u>5.05%</u>

**Notes to schedule:**

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

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

2017	3.58%	2022	3.54%
2018	3.87%	2023	3.65%
2019	3.50%	2024	3.93%
2020	2.21%		
2021	2.16%		

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

See Notes to Required Supplementary Information

CITY OF AMES, IOWA  
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS  
LAST SEVEN FISCAL YEARS\*

Hospital:	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability							
Service cost	\$ 192,131	\$ 236,111	\$ 227,329	\$ 201,432	\$ 171,392	\$ 183,570	\$ 230,410
Interest	176,573	103,468	98,212	147,571	188,216	171,689	155,873
Differences between expected and actual experience	(339,409)	(59,957)	(339,352)	(432,129)	(480,311)	(518,903)	907,372
Changes in assumptions or other inputs	330,835	(629,822)	61,467	349,124	211,750	(208,768)	(448,839)
Benefit payments	(171,767)	(44,963)	(135,587)	(235,143)	(113,258)	57,836	(10,501)
Net change in total OPEB liability	188,363	(395,163)	(87,931)	30,855	(22,211)	(314,576)	834,315
Total OPEB liability, beginning	3,989,678	4,384,841	4,472,772	4,441,917	4,464,128	4,778,704	3,944,389
Total OPEB liability, ending	<u>\$ 4,178,041</u>	<u>\$ 3,989,678</u>	<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>\$ 87,881,713</u>	<u>\$ 76,610,358</u>	<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>4.75%</u>	<u>5.21%</u>	<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%	2022	2.25%
2018	3.44%	2023	4.31%
2019	4.11%	2024	4.00%
2020	3.26%		
2021	2.12%		

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

See Notes to Required Supplementary Information

CITY OF AMES, IOWA  
BUDGETARY COMPARISON SCHEDULE  
GOVERNMENTAL AND PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Governmental Funds Actual	Proprietary Funds Actual	Total Actual	Original Budget	Final Budget	Variance - Actual to Final
Revenues and other financing sources:						
Taxes levied on property	\$ 34,567,232	\$ -	\$ 34,567,232	\$ 34,748,203	\$ 34,748,203	\$ (180,971)
Delinquent property taxes	(55,430)	-	(55,430)	-	-	(55,430)
TIF revenues	378,041	-	378,041	386,876	433,876	(55,835)
Other taxes	15,045,185	-	15,045,185	12,801,747	14,475,658	569,527
Licenses and permits	1,480,274	20,700	1,500,974	1,636,190	1,543,975	(43,001)
Use of money and property	4,554,892	38,524,687	43,079,579	13,252,288	19,229,618	23,849,961
Intergovernmental	18,089,631	14,831,380	32,921,011	43,702,621	57,132,943	(24,211,932)
Charges for services	2,376,384	351,171,606	353,547,990	333,854,261	341,390,941	12,157,049
Special assessments	241,098	-	241,098	227,104	231,168	9,930
Miscellaneous	1,202,400	1,351,110	2,553,510	4,594,166	4,635,272	(2,081,762)
Other financing sources	12,791,309	10,322,793	23,114,102	18,903,897	44,047,670	(20,933,568)
Transfers in	19,991,998	2,735,352	22,727,350	18,049,564	23,523,095	(795,745)
Total revenues and other financing sources	110,663,014	418,957,628	529,620,642	482,156,917	541,392,419	(11,771,777)
Expenditures and other financing uses:						
General government	3,590,953	-	3,590,953	3,842,069	4,366,215	775,262
Public safety	21,584,723	-	21,584,723	22,512,142	22,410,090	825,367
Public works	8,039,037	-	8,039,037	8,387,469	8,689,041	650,004
Health and social services	1,812,437	-	1,812,437	1,878,514	1,870,954	58,517
Culture and recreation	10,209,175	-	10,209,175	10,478,969	11,007,041	797,866
Community and economic development	3,577,570	-	3,577,570	4,505,175	8,984,765	5,407,195
Debt service	13,111,307	-	13,111,307	12,979,018	12,979,459	(131,848)
Capital outlay	25,666,664	-	25,666,664	30,462,733	73,325,634	47,658,970
Total governmental expenditures	87,591,866	-	87,591,866	95,046,089	143,633,199	56,041,333
Business-type expenditures	-	355,224,229	355,224,229	362,826,390	420,370,021	65,145,792
Total expenditures and other financing uses	87,591,866	355,224,229	442,816,095	457,872,479	564,003,220	121,187,125
Other financing uses	19,018,556	3,708,794	22,727,350	18,049,564	23,523,095	795,745
Total expenditures, other financing uses, and transfers out	106,610,422	358,933,023	465,543,445	475,922,043	587,526,315	121,982,870
Excess revenues and other financing sources over (under) expenditures, other financing uses, and transfers out	4,052,592	60,024,605	64,077,197	6,234,874	(46,133,896)	110,211,093
Fund balances, beginning	77,680,717	1,249,726,113	1,327,406,830	910,668,885	980,267,183	347,139,647
Fund balances, ending	\$ 81,733,309	\$ 1,309,750,718	\$ 1,391,484,027	\$916,903,759	\$934,133,287	\$457,350,740

See Notes to Required Supplementary Information

CITY OF AMES, IOWA  
BUDGETARY COMPARISON SCHEDULE  
BUDGET TO GAAP RECONCILIATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Governmental Funds			Proprietary Funds		
	Budget Basis	Adjustments	Modified Accrual Basis	Budget Basis	Adjustments	Accrual Basis
Revenues and other financing sources	\$ 110,663,014	\$ (16,336,726)	\$ 94,326,288	\$ 418,957,628	\$ (7,145,019)	\$ 411,812,609
Expenditures and other financing uses	106,610,422	(16,283,891)	90,326,531	358,933,023	1,084,229	360,017,252
Excess revenues and other financing sources over expenditures and other financing uses	4,052,592	(52,835)	3,999,757	60,024,605	(8,229,248)	51,795,357
Fund balances, beginning	77,680,717	1,151,060	78,831,777	1,249,726,113	(396,231,792)	853,494,321
Fund balances, ending	<u>\$ 81,733,309</u>	<u>\$ 1,098,225</u>	<u>\$ 82,831,534</u>	<u>\$ 1,309,750,718</u>	<u>\$ (404,461,040)</u>	<u>\$ 905,289,678</u>

See Notes to Required Supplementary Information

## **1.0 Pension Liability**

### **IPERS:**

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

*Changes in assumptions.*

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

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

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

- Changed mortality assumptions to the RP-2014 mortality tables with mortality improvements modeled using Scale MP-2017.
- Adjusted retirement rates.
- Lowered disability rates.
- Adjusted the probability of 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%.

### **MFPRSI:**

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

*Changes in assumptions.* The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the 10-year period ending June 30, 2022. There were no significant changes of benefit terms.

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

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

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

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

## **2.0 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 \$111,604,272. These amendments are reflected in the final budget amounts.

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# SUPPLEMENTARY INFORMATION



2024-2025  
**DROP OFF  
RECYCLING**

**1  
YEAR**



CITY OF AMES, IOWA  
NON-MAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS

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

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.

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, IOWA  
NON-MAJOR GOVERNMENTAL FUNDS (continued)  
SPECIAL REVENUE FUNDS

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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, IOWA  
 COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2024

	<b>Permanent Funds</b>			
	<b>Non-Major Special Revenue Funds</b>	<b>Perpetual Care</b>	<b>Furman Aquatic Center Endowment</b>	<b>Total Non-Major Governmental Funds</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 6,693,983	\$ 44,017	\$ 239,902	\$ 6,977,902
Investments	24,551,888	1,094,873	879,773	26,526,534
Accrued interest receivable	10,538	-	4,255	14,793
Accounts receivable, net	972	1,691	-	2,663
Intergovernmental receivable	2,167,859	-	-	2,167,859
Loans receivable	922	-	-	922
Due from other funds	1,949,414	-	-	1,949,414
Inventories	203,029	-	-	203,029
Property held for resale	808,136	-	-	808,136
Prepaid items	12,297	-	-	12,297
Long-term loans receivable	311	-	-	311
Total assets	<u>\$ 36,399,349</u>	<u>\$ 1,140,581</u>	<u>\$ 1,123,930</u>	<u>\$ 38,663,860</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 674,799	\$ -	\$ -	\$ 674,799
Accrued payroll	90,521	-	-	90,521
Retainage payable	550,543	-	-	550,543
Customer deposits	667,289	-	-	667,289
Intergovernmental payable	9,958	-	-	9,958
Due to other funds	1,089,151	31,321	-	1,120,472
Total liabilities	<u>3,082,261</u>	<u>31,321</u>	<u>-</u>	<u>3,113,582</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue:				
Grants	201,318	-	-	201,318
Total deferred inflows of resources	<u>201,318</u>	<u>-</u>	<u>-</u>	<u>201,318</u>
<b>FUND BALANCES</b>				
Nonspendable	215,326	1,109,260	1,000,000	2,324,586
Restricted	25,528,523	-	123,930	25,652,453
Committed	7,371,921	-	-	7,371,921
Total fund balances	<u>33,115,770</u>	<u>1,109,260</u>	<u>1,123,930</u>	<u>35,348,960</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 36,399,349</u>	<u>\$ 1,140,581</u>	<u>\$ 1,123,930</u>	<u>\$ 38,663,860</u>

## CITY OF AMES, IOWA

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

## NON-MAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

	Permanent Funds			Total Non-Major Governmental Funds
	Non-Major Special Revenue Funds	Perpetual Care	Furman Aquatic Center Endowment	
<b>REVENUES</b>				
Taxes	\$ 15,173,609	\$ -	\$ -	\$ 15,173,609
Intergovernmental	12,034,966	-	-	12,034,966
Charges for services	-	24,451	-	24,451
Investment income	132,620	-	57,051	189,671
Miscellaneous	160,845	-	-	160,845
Total revenues	27,502,040	24,451	57,051	27,583,542
<b>EXPENDITURES</b>				
Current:				
General government	531,308	-	-	531,308
Public safety	276,110	-	-	276,110
Public works	6,922,670	-	-	6,922,670
Health and social services	1,812,435	-	-	1,812,435
Culture and recreation	729,973	-	28,889	758,862
Community and economic development	2,478,888	-	-	2,478,888
Capital outlay	6,338,900	-	-	6,338,900
Total expenditures	19,090,284	-	28,889	19,119,173
Excess of revenues over expenditures	8,411,756	24,451	28,162	8,464,369
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	477,559	-	-	477,559
Transfers out	(9,593,619)	-	-	(9,593,619)
Total other financing sources (uses)	(9,116,060)	-	-	(9,116,060)
Net change in fund balance	(704,304)	24,451	28,162	(651,691)
Fund balances, beginning	33,820,074	1,084,809	1,095,768	36,000,651
Fund balances, ending	\$ 33,115,770	\$ 1,109,260	\$ 1,123,930	\$ 35,348,960

CITY OF AMES, IOWA  
COMBINING BALANCE SHEET  
NON-MAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2024

	Local Option Tax	Hotel/ Motel Tax	Road Use Tax	Bike Licenses	Police Forfeiture & Grants	Police & Fire Donations	Animal Shelter Donations	Housing Assistance	CDBG
<b>ASSETS</b>									
Cash and cash equivalents	\$ 2,235,677	\$ 314,913	\$ 1,756,092	\$ 2,210	\$ 36,322	\$ 2,272	\$ 45,249	\$ 87,567	\$ -
Investments	8,199,945	1,154,693	6,440,699	7,816	132,875	8,418	166,245	321,216	-
Accrued interest receivable	-	-	-	-	-	-	800	-	-
Intergovernmental receivable	1,082,347	-	755,834	-	3,661	-	-	9,419	111,598
Loans receivable	-	-	-	-	-	-	-	-	922
Due from other funds	38,483	626,522	1,129,880	-	16	168	-	1,284	-
Inventories	-	-	203,029	-	-	-	-	-	-
Property held for resale	-	-	-	-	-	-	-	-	808,136
Prepaid items	-	-	11,180	-	-	-	-	-	160
Long-term loans receivable	-	-	-	-	-	-	-	-	311
Total assets	<u>\$ 11,556,452</u>	<u>\$ 2,096,128</u>	<u>\$ 10,296,714</u>	<u>\$ 10,026</u>	<u>\$ 172,874</u>	<u>\$ 10,858</u>	<u>\$ 212,294</u>	<u>\$ 419,486</u>	<u>\$ 921,127</u>
<b>LIABILITIES</b>									
Accounts payable	\$ 205,421	\$ 73,934	\$ 328,390	\$ -	\$ 2,066	\$ 1,045	\$ 3,045	\$ -	\$ 959
Accrued payroll	4,272	-	82,128	-	975	-	-	339	-
Retainage payable	-	-	27,228	-	-	-	-	-	-
Intergovernmental payable	-	-	2,163	-	-	-	1,738	-	17
Due to other funds	653,531	89,593	229,448	-	-	-	64,496	2,280	45,613
Total liabilities	<u>863,224</u>	<u>163,527</u>	<u>669,357</u>	<u>-</u>	<u>3,041</u>	<u>1,045</u>	<u>69,279</u>	<u>2,619</u>	<u>46,589</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>									
Unavailable revenue:									
Grants	-	-	-	-	-	1,318	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,318</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>									
Nonspendable	-	-	214,209	-	-	-	-	-	160
Restricted	10,693,228	1,932,601	9,413,148	-	169,833	8,495	143,015	-	874,378
Committed	-	-	-	10,026	-	-	-	416,867	-
Total fund balances	<u>10,693,228</u>	<u>1,932,601</u>	<u>9,627,357</u>	<u>10,026</u>	<u>169,833</u>	<u>8,495</u>	<u>143,015</u>	<u>416,867</u>	<u>874,538</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 11,556,452</u>	<u>\$ 2,096,128</u>	<u>\$ 10,296,714</u>	<u>\$ 10,026</u>	<u>\$ 172,874</u>	<u>\$ 10,858</u>	<u>\$ 212,294</u>	<u>\$ 419,486</u>	<u>\$ 921,127</u>

CITY OF AMES, IOWA  
COMBINING BALANCE SHEET (continued)  
NON-MAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2024

	Police & Fire	Parks & Recreation Programs	Federal Relief Funds	Library Donations	Project Share	Public Art Donations	Developers' Projects	Economic Development & Loans	TIF	Total Non-Major Special Revenue Funds
<b>ASSETS</b>										
Cash and cash equivalents	\$ 3,329	\$ 48,945	\$ 1,399,658	\$ 114,395	\$ 6,515	\$ 825	\$ 198,989	\$ 117,275	\$ 323,750	\$ 6,693,983
Investments	12,476	179,773	5,133,890	433,198	10,823	3,157	729,462	429,891	1,187,311	24,551,888
Accrued interest receivable	89	1,595	-	1,960	-	-	197	-	5,897	10,538
Accounts receivable, net	-	300	-	-	672	-	-	-	-	972
Intergovernmental receivable	-	205,000	-	-	-	-	-	-	-	2,167,859
Loans receivable	-	-	-	-	-	-	-	-	-	922
Due from other funds	-	-	153,061	-	-	-	-	-	-	1,949,414
Inventories	-	-	-	-	-	-	-	-	-	203,029
Property held for resale	-	-	-	-	-	-	-	-	-	808,136
Prepaid items	-	-	-	957	-	-	-	-	-	12,297
Long-term loans receivable	-	-	-	-	-	-	-	-	-	311
Total assets	\$ 15,894	\$ 435,613	\$ 6,686,609	\$ 550,510	\$ 18,010	\$ 3,982	\$ 928,648	\$ 547,166	\$ 1,516,958	36,399,349
<b>LIABILITIES</b>										
Accounts payable	\$ -	\$ 6,230	\$ 6,152	\$ 32,457	\$ -	\$ -	\$ 15,100	\$ -	\$ -	\$ 674,799
Accrued payroll	-	-	1,645	1,162	-	-	-	-	-	90,521
Retainage payable	-	-	523,315	-	-	-	-	-	-	550,543
Customer deposits	-	-	-	-	-	-	667,289	-	-	667,289
Intergovernmental payable	-	-	-	6,040	-	-	-	-	-	9,958
Due to other funds	-	-	4,190	-	-	-	-	-	-	1,089,151
Total liabilities	-	6,230	535,302	39,659	-	-	682,389	-	-	3,082,261
<b>DEFERRED INFLOWS OF RESOURCES</b>										
Unavailable revenue:										
Grants	-	200,000	-	-	-	-	-	-	-	201,318
Total deferred inflows of resources	-	200,000	-	-	-	-	-	-	-	201,318
<b>FUND BALANCES</b>										
Nonspendable	-	-	-	957	-	-	-	-	-	215,326
Restricted	15,894	-	-	509,894	4,820	-	246,259	-	1,516,958	25,528,523
Committed	-	229,383	6,151,307	-	13,190	3,982	-	547,166	-	7,371,921
Total fund balances	15,894	229,383	6,151,307	510,851	18,010	3,982	246,259	547,166	1,516,958	33,115,770
Total liabilities, deferred inflows of resources, and fund balances	\$ 15,894	\$ 435,613	\$ 6,686,609	\$ 550,510	\$ 18,010	\$ 3,982	\$ 928,648	\$ 547,166	\$ 1,516,958	\$ 36,399,349

CITY OF AMES, IOWA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NON-MAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

	Local Option Tax	Hotel/ Motel Tax	Road Use Tax	Bike Licenses	Police Forfeiture & Grants	Police & Fire Donations	Animal Shelter Donations	Housing Assistance	CDBG
<b>REVENUES</b>									
Taxes	\$ 12,033,283	\$ 2,762,285	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	9,396,097	-	110,490	4,538	94,756	318,430	282,241
Investment income	-	-	-	-	-	-	10,554	-	38
Miscellaneous	-	-	19,134	-	-	32,523	-	-	93,034
Total revenues	12,033,283	2,762,285	9,415,231	-	110,490	37,061	105,310	318,430	375,313
<b>EXPENDITURES</b>									
Current:									
General government	291,830	157,662	-	-	-	-	-	81,816	-
Public safety	-	-	-	-	110,345	-	165,765	-	-
Public works	-	-	6,861,506	-	-	61,164	-	-	-
Health and social services	1,790,480	-	-	-	-	-	-	-	-
Culture and recreation	318,263	2,500	-	-	-	-	-	-	-
Community and economic development	-	1,703,716	28,031	-	-	-	-	-	342,274
Capital outlay	1,516,529	-	2,064,179	-	-	-	-	-	-
Total expenditures	3,917,102	1,863,878	8,953,716	-	110,345	61,164	165,765	81,816	342,274
Excess (deficiency) of revenues over (under) expenditures	8,116,181	898,407	461,515	-	145	(24,103)	(60,455)	236,614	33,039
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers in	158,003	-	-	-	-	-	-	-	-
Transfers out	(7,359,970)	(400,496)	-	-	-	-	-	-	-
Total other financing sources (uses)	(7,201,967)	(400,496)	-	-	-	-	-	-	-
Net change in fund balances	914,214	497,911	461,515	-	145	(24,103)	(60,455)	236,614	33,039
Fund balances, beginning	9,779,014	1,434,690	9,165,842	10,026	169,688	32,598	203,470	180,253	841,499
Fund balances, ending	\$ 10,693,228	\$ 1,932,601	\$ 9,627,357	\$ 10,026	\$ 169,833	\$ 8,495	\$ 143,015	\$ 416,867	\$ 874,538

CITY OF AMES, IOWA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (continued)

NON-MAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

	Police & Fire	Parks & Recreation Programs	Federal Relief Funds	Library Donations	Project Share	Public Art Donations	Developers' Projects	Economic Development & Loans	TIF	Total Non-Major Special Revenue Funds
<b>REVENUES</b>										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 378,041	\$ 15,173,609
Intergovernmental	-	68,039	1,260,420	448,815	23,109	-	-	28,031	-	12,034,966
Investment income	3,442	7,730	-	22,911	-	-	2,605	-	85,340	132,620
Miscellaneous	-	-	-	26	-	-	16,128	-	-	160,845
Total revenues	3,442	75,769	1,260,420	471,752	23,109	-	18,733	28,031	463,381	27,502,040
<b>EXPENDITURES</b>										
Current:										
General government	-	-	-	-	-	-	-	-	-	531,308
Public safety	-	-	-	-	-	-	-	-	-	276,110
Public works	-	-	-	-	-	-	-	-	-	6,922,670
Health and social services	-	-	-	-	21,955	-	-	-	-	1,812,435
Culture and recreation	-	36,643	-	372,567	-	-	-	-	-	729,973
Community and economic development	-	-	-	-	-	-	-	28,031	376,836	2,478,888
Capital outlay	-	203,166	2,555,026	-	-	-	-	-	-	6,338,900
Total expenditures	-	239,809	2,555,026	372,567	21,955	-	-	28,031	376,836	19,090,284
Excess (deficiency) of revenues over (under) expenditures	3,442	(164,040)	(1,294,606)	99,185	1,154	-	18,733	-	86,545	8,411,756
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers in	-	277,620	41,936	-	-	-	-	-	-	477,559
Transfers out	(55,000)	(27,620)	(1,415,483)	-	-	-	-	-	(335,050)	(9,593,619)
Total other financing sources (uses)	(55,000)	250,000	(1,373,547)	-	-	-	-	-	(335,050)	(9,116,060)
Net change in fund balances	(51,558)	85,960	(2,668,153)	99,185	1,154	-	18,733	-	(248,505)	(704,304)
Fund balances, beginning	67,452	143,423	8,819,460	411,666	16,856	3,982	227,526	547,166	1,765,463	33,820,074
Fund balances, ending	\$ 15,894	\$ 229,383	\$ 6,151,307	\$ 510,851	\$ 18,010	\$ 3,982	\$ 246,259	\$ 547,166	\$ 1,516,958	\$ 33,115,770

CITY OF AMES, IOWA  
NON-MAJOR ENTERPRISE FUNDS

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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, IOWA  
COMBINING STATEMENT OF NET POSITION  
NON-MAJOR ENTERPRISE FUNDS  
JUNE 30, 2024

	Airport	Parking	Transit	Storm Water Utility	Ames / ISU Ice Arena	Homewood Golf Course	Resource Recovery	Total Non-Major Enterprise Funds
<b>ASSETS</b>								
Current assets:								
Cash and cash equivalents	\$ 745,951	\$ 296,163	\$ 5,130,702	\$ 1,712,526	\$ 79,325	\$ 156,254	\$ 189,444	\$ 8,310,365
Investments	2,219,650	1,084,498	18,814,345	6,281,369	287,997	570,583	694,289	29,952,731
Accrued interest receivable	12,128	5,228	89,941	29,937	1,612	2,660	3,486	144,992
Accounts receivable, net	36,679	9,338	79,174	223,211	54,130	-	293,300	695,832
Lease receivable - current	65,293	-	-	-	-	-	-	65,293
Due from other funds	6,856	6,420	910	28,534	2,274	1,465	92,967	139,426
Intergovernmental receivable	749,907	-	1,328,972	175	-	-	464,081	2,543,135
Inventories	-	18,979	382,669	-	3,375	2,108	-	407,131
Prepaid items	4,868	-	107,076	-	-	-	-	111,944
Total current assets	3,841,332	1,420,626	25,933,789	8,275,752	428,713	733,070	1,737,567	42,370,849
Noncurrent assets:								
Net pension asset	7,918	-	-	-	-	-	-	7,918
Capital assets:								
Land	1,384,118	910,547	41,500	733,383	-	193,250	531,517	3,794,315
Land improvements	12,415,723	623,538	1,892,550	11,461,922	147,898	127,581	172,379	26,841,591
Buildings	4,978,610	-	26,658,363	-	1,870,329	21,053	11,384,597	44,912,952
Equipment	16,920	-	40,173,320	16,868	325,105	5,700	7,986,735	48,524,648
Lease assets	-	-	-	-	-	52,316	-	52,316
Subscription based IT assets	-	-	16,975	-	-	-	-	16,975
Construction in progress	814,448	-	1,075,861	5,726	12,500	-	-	1,908,535
Less accumulated depreciation/amortization	(10,352,097)	(595,763)	(38,604,015)	(871,960)	(1,785,553)	(174,758)	(16,718,376)	(69,102,522)
Lease receivable - long term	1,193,407	-	-	-	-	-	-	1,193,407
Total noncurrent assets	10,459,047	938,322	31,254,554	11,345,939	570,279	225,142	3,356,852	58,150,135
Total assets	14,300,379	2,358,948	57,188,343	19,621,691	998,992	958,212	5,094,419	100,520,984
<b>DEFERRED OUTFLOWS OF RESOURCES</b>								
Deferred outflows related to OPEB	1,466	26,279	408,779	20,728	8,929	7,163	78,727	552,071
Deferred outflows related to pensions	298	80,410	1,648,216	28,710	34,976	24,602	246,896	2,064,108
Total deferred outflows of resources	1,764	106,689	2,056,995	49,438	43,905	31,765	325,623	2,616,179

CITY OF AMES, IOWA  
COMBINING STATEMENT OF NET POSITION (continued)  
NON-MAJOR ENTERPRISE FUNDS  
JUNE 30, 2024

**LIABILITIES**

Current liabilities:

Accounts payable	\$ 9,959	\$ 4,091	\$ 894,789	\$ 265,558	\$ 14,296	\$ 11,385	\$ 134,065	\$ 1,334,143
Accrued payroll	78	9,075	201,976	6,100	2,568	4,666	4,002	228,465
Accrued compensated absences	259	2,900	31,066	2,159	419	492	4,385	41,680
Accrued other post-employment benefits	196	2,582	47,439	2,117	990	800	7,610	61,734
Due to other funds	1,452	24,618	78,591	69,884	3,176	3,227	143,997	324,945
Retainage payable	34,605	-	62,022	8,553	-	-	-	105,180
Accrued interest	1,499	-	-	-	-	-	449	1,948
Lease liabilities	-	-	-	-	-	14,135	-	14,135
Subscription based IT asset liability	-	-	5,720	-	-	-	-	5,720
Intergovernmental payable	1,223	423	10,266	1,579	1,207	3,329	6,376	24,403
Accrued landfill post-closure costs	-	-	-	-	-	-	15,788	15,788
Bonds payable, net	46,774	-	-	-	-	-	118,891	165,665
Total current liabilities	96,045	43,689	1,331,869	355,950	22,656	38,034	435,563	2,323,806

Noncurrent liabilities:

Accrued compensated absences	6,912	49,141	572,176	30,777	7,179	6,169	62,422	734,776
Accrued other post-employment benefits	1,660	47,774	614,873	35,961	14,103	11,184	146,838	872,393
Net pension liability	-	282,298	4,200,331	90,018	114,253	54,195	701,879	5,442,974
Accrued landfill post-closure costs	-	-	-	-	-	-	69,725	69,725
Lease liabilities	-	-	-	-	-	7,259	-	7,259
Subscription based IT asset liability	-	-	2,917	-	-	-	-	2,917
Bonds payable, net	557,591	-	-	-	-	-	-	557,591
Total noncurrent liabilities	566,163	379,213	5,390,297	156,756	135,535	78,807	980,864	7,687,635
Total liabilities	662,208	422,902	6,722,166	512,706	158,191	116,841	1,416,427	10,011,441

**DEFERRED INFLOWS OF RESOURCES**

Deferred charge on refunding	-	-	-	-	-	-	4,868	4,868
Deferred inflow related to leases	1,228,246	-	-	-	-	-	-	1,228,246
Deferred inflows related to OPEB	-	3,548	29,026	2,469	773	590	11,239	47,645
Deferred inflows related to pensions	289	-	-	9,053	2,395	-	-	11,737
	1,228,535	3,548	29,026	11,522	3,168	590	16,107	1,292,496

**NET POSITION**

Net investment in capital assets	8,618,752	938,322	31,183,895	11,337,386	570,279	203,748	3,233,093	56,085,475
Restricted	7,918	-	-	-	-	-	-	7,918
Unrestricted	3,784,730	1,100,865	21,310,251	7,809,515	311,259	668,798	754,415	35,739,833
Total net position	\$ 12,411,400	\$ 2,039,187	\$ 52,494,146	\$ 19,146,901	\$ 881,538	\$ 872,546	\$ 3,987,508	\$91,833,226

## CITY OF AMES, IOWA

## COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

## NON-MAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

	Airport	Parking	Transit	Storm Water Utility	Ames / ISU Ice Arena	Homewood Golf Course	Resource Recovery	Total Non-Major Enterprise Funds
Operating revenues:								
Charges for services	\$ 327,291	\$ 862,948	\$ 7,943,781	\$ 1,990,013	\$ 524,805	\$ 529,749	\$ 4,354,177	\$ 16,532,764
Operating expenses:								
Cost of goods and services	254,190	856,673	11,498,155	1,445,586	672,349	318,365	4,634,602	19,679,920
Administration	-	-	2,631,094	-	-	-	142,415	2,773,509
Depreciation	531,233	2,645	3,095,891	170,352	95,945	16,323	438,555	4,350,944
Total operating expenses	785,423	859,318	17,225,140	1,615,938	768,294	334,688	5,215,572	26,804,373
Operating income (loss)	(458,132)	3,630	(9,281,359)	374,075	(243,489)	195,061	(861,395)	(10,271,609)
Non-operating revenues (expenses):								
Intergovernmental	37,247	-	5,429,671	-	-	-	-	5,466,918
Reimbursements	7,400	200	59,740	80,000	-	-	-	147,340
Investment income	174,904	69,877	1,064,228	407,848	20,063	31,038	36,852	1,804,810
Interest revenue (expense)	(17,458)	-	(310)	-	-	(589)	12,263	(6,094)
Gain on disposal of capital assets	-	-	23,246	-	-	-	-	23,246
Miscellaneous	-	1,022	38,702	-	4,419	1,150	2,282	47,575
Total non-operating revenues	202,093	71,099	6,615,277	487,848	24,482	31,599	51,397	7,483,795
Income (loss) before capital contributions and transfers	(256,039)	74,729	(2,666,082)	861,923	(219,007)	226,660	(809,998)	(2,787,814)
Capital contributions	698,918	-	1,161,276	-	40,000	-	-	1,900,194
Transfers in	-	5,863	2,097,005	-	40,000	-	592,484	2,735,352
Transfers out	-	-	-	(676,913)	-	-	-	(676,913)
Change in net position	442,879	80,592	592,199	185,010	(139,007)	226,660	(217,514)	1,170,819
Net position, beginning	11,968,521	1,958,595	51,901,947	18,961,891	1,020,545	645,886	4,205,022	90,662,407
Net position, ending	\$ 12,411,400	\$ 2,039,187	\$ 52,494,146	\$ 19,146,901	\$ 881,538	\$ 872,546	\$ 3,987,508	\$ 91,833,226

CITY OF AMES, IOWA  
COMBINING STATEMENT OF CASH FLOWS  
NON-MAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

	Airport	Parking	Transit	Storm Water Utility	Ames / ISU Ice Arena	Homewood Golf Course	Resource Recovery	Total Non-Major Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
Receipts from customers	\$ 290,724	\$ 861,262	\$ 9,942,801	\$ 1,993,524	\$ 494,671	\$ 533,690	\$ 4,329,149	\$ 18,445,821
Payments to suppliers	(153,849)	(124,703)	(4,378,670)	(607,737)	(425,486)	(103,831)	(2,205,202)	(7,999,478)
Payments to employees	(44,652)	(563,389)	(10,179,337)	(478,984)	(205,576)	(175,288)	(1,774,698)	(13,421,924)
Receipts to other funds for services provided	(46,226)	(194,625)	(719,813)	(199,464)	(49,195)	(43,926)	(906,413)	(2,159,662)
Net cash provided by (used for) operating activities	45,997	(21,455)	(5,335,019)	707,339	(185,586)	210,645	(557,164)	(5,135,243)
<b>CASH FLOW FROM NON-CAPITAL FINANCING ACTIVITIES</b>								
Operating grants	37,247	-	5,429,671	-	-	-	-	5,466,918
Reimbursements	7,400	200	59,740	80,000	-	-	-	147,340
Miscellaneous income	-	1,022	38,700	-	4,419	1,149	2,283	47,573
Transfers in	-	5,863	2,097,005	-	40,000	-	592,484	2,735,352
Transfers out	-	-	-	(676,913)	-	-	-	(676,913)
Net cash provided by (used for) non-capital financing activities	44,647	7,085	7,625,116	(596,913)	44,419	1,149	594,767	7,720,270
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>								
Acquisition and construction of capital assets	(813,986)	-	(1,425,042)	(87,490)	(89,168)	(13,203)	(8,014)	(2,436,903)
Proceeds from the sale of capital assets	-	-	23,246	-	-	-	-	23,246
Principal paid on capital debt	(45,000)	-	-	-	-	-	(136,168)	(181,168)
Interest paid on capital debt	(19,119)	-	-	-	-	-	(11,235)	(30,354)
Interest paid on leases	-	-	(310)	-	-	(589)	-	(899)
Capital contributions	182,441	-	1,161,276	-	40,000	-	-	1,383,717
Net cash (used for) capital and related financing activities	(695,664)	-	(240,830)	(87,490)	(49,168)	(13,792)	(155,417)	(1,242,361)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
Purchase of investments	(2,542,080)	(1,242,035)	(21,547,367)	(7,193,819)	(329,832)	(653,467)	(795,143)	(34,303,743)
Proceeds from sale of investments	2,945,588	1,218,224	19,458,371	6,976,439	467,548	481,212	874,966	32,422,348
Interest on investments	172,034	68,452	1,028,937	397,086	19,969	29,759	36,093	1,752,330
Net cash provided by (used for) investing activities	575,542	44,641	(1,060,059)	179,706	157,685	(142,496)	115,916	(129,065)
Net increase (decrease) in cash and cash equivalents	(29,478)	30,271	989,208	202,642	(32,650)	55,506	(1,898)	1,213,601
Cash and cash equivalents, beginning	775,429	265,892	4,141,494	1,509,884	111,975	100,748	191,342	7,096,764
Cash and cash equivalents, ending	\$ 745,951	\$ 296,163	\$ 5,130,702	\$ 1,712,526	\$ 79,325	\$ 156,254	\$ 189,444	\$ 8,310,365

CITY OF AMES, IOWA  
COMBINING STATEMENT OF CASH FLOWS (continued)  
NON-MAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

	Airport	Parking	Transit	Storm Water Utility	Ames / ISU Ice Arena	Homewood Golf Course	Resource Recovery	Total Non-Major Enterprise Funds
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>								
Operating income (loss)	\$ (458,132)	\$ 3,630	\$ (9,281,359)	\$ 374,075	\$ (243,489)	\$ 195,061	\$ (861,395)	\$ (10,271,609)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:								
Depreciation expense	531,233	2,645	3,095,891	170,352	95,945	16,323	438,555	4,350,944
Change in accounts receivable	(17,157)	156	(28,606)	(11,088)	(27,891)	3,972	(88,309)	(168,923)
Change in leases receivable	74,981	-	-	-	-	-	-	74,981
Change in due from other funds	(6,856)	3,708	51,632	8,678	(2,243)	(31)	71,346	126,234
Change in intergovernmental receivable	26,741	2,821	1,975,994	5,921	-	-	(8,065)	2,003,412
Change in inventories	-	9,262	(15,127)	-	(1,971)	199	-	(7,637)
Change in prepaid items	(4,218)	-	(87,832)	806	-	-	290	(90,954)
Change in deferred outflows of resources	(1,616)	(37,118)	(978,769)	(23,849)	(10,549)	(19,155)	(133,417)	(1,204,473)
Change in accounts payable	(20,944)	(675)	(954,524)	205,592	2,363	(1,223)	22,951	(746,460)
Change in accrued payroll	(186)	(1,391)	(9,315)	(391)	154	(288)	2,058	(9,359)
Change in accrued compensated absences	711	(16,879)	145,951	(9,782)	(2,146)	243	2,444	120,542
Change in due to other funds	(591)	(270)	14,569	(22,906)	152	325	(2,039)	(10,760)
Changes in retainage payable	34,605	-	52,828	(2,372)	-	-	-	85,061
Changes in intergovernmental payable	1,223	(171)	(2,703)	184	(1,866)	806	(89,355)	(91,882)
Changes accrued landfill post-closure costs	-	-	-	-	-	-	1,929	1,929
Changes in unearned revenue	(2,268)	(8,371)	-	-	-	-	-	(10,639)
Changes post-employment benefits	1,568	20,673	379,799	16,948	7,929	6,406	60,930	494,253
Changes in pension liability	2,354	32,737	599,524	24,463	9,895	9,783	97,332	776,088
Changes in deferred inflows of resources	(115,451)	(32,212)	(292,972)	(29,292)	(11,869)	(1,776)	(72,419)	(555,991)
Total adjustments	504,129	(25,085)	3,946,340	333,264	57,903	15,584	304,231	5,136,366
Net cash provided by (used for) operating activities	\$ 45,997	\$ (21,455)	\$ (5,335,019)	\$ 707,339	\$ (185,586)	\$ 210,645	\$ (557,164)	\$ (5,135,243)
<b>Schedule of non-cash capital and related financing activities:</b>								
Capital asset contributions	\$ 516,477	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 516,477

CITY OF AMES, IOWA  
INTERNAL SERVICE FUNDS

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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, IOWA  
COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
JUNE 30, 2024

	Fleet Services	Information Technology	Printing Services	Risk Management	Health Insurance	Total Internal Service Funds
<b>ASSETS</b>						
Current assets:						
Cash and cash equivalents	\$ 3,082,668	\$ 788,798	\$ -	\$ 846,260	\$ 1,793,207	\$ 6,510,933
Investments	11,306,434	2,893,797	-	3,103,933	6,576,731	23,880,895
Accrued interest receivable	52,976	14,138	-	14,922	30,574	112,610
Accounts receivable, net	41,330	-	-	13,724	62,254	117,308
Due from other funds	383,390	17,329	-	-	82	400,801
Intergovernmental receivable	4,106	34,658	-	-	-	38,764
Inventories	101,207	-	-	-	-	101,207
Prepaid items	5,612	144,444	-	-	-	150,056
Total current assets	14,977,723	3,893,164	-	3,978,839	8,462,848	31,312,574
Noncurrent assets:						
Capital assets:						
Land improvements	-	192,433	-	-	-	192,433
Buildings	1,148,632	-	-	-	-	1,148,632
Equipment	22,000,054	2,839,653	-	-	-	24,839,707
Subscription based IT assets	-	501,230	-	-	-	501,230
Less accumulated depreciation/amortization	(12,172,518)	(2,429,675)	-	-	-	(14,602,193)
Total noncurrent assets	10,976,168	1,103,641	-	-	-	12,079,809
Total assets	25,953,891	4,996,805	-	3,978,839	8,462,848	43,392,383
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred outflows related to OPEB	48,453	47,753	-	6,341	7,773	110,320
Deferred outflows related to pensions	133,187	127,381	-	19,324	20,566	300,458
Total deferred outflows of resources	181,640	175,134	-	25,665	28,339	410,778
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	\$ 182,123	\$ 8,159	\$ -	\$ 20,917	\$ 168,026	\$ 379,225
Accrued payroll	16,386	1,124	-	-	594	18,104
Accrued compensated absences	3,014	4,661	-	778	453	8,906
Accrued other post-employment benefits	4,248	4,478	-	766	823	10,315
Subscription based IT asset liability	-	163,604	-	-	-	163,604
Due to other funds	30,409	12,639	-	2,183	10,450	55,681
Claims payable	-	-	-	1,509,712	611,721	2,121,433
Intergovernmental payable	32,429	-	-	-	-	32,429
Total current liabilities	268,609	194,665	-	1,534,356	792,067	2,789,697
Noncurrent liabilities:						
Accrued compensated absences	49,629	87,983	-	8,753	5,109	151,474
Accrued other post-employment benefits	97,953	90,785	-	8,825	12,819	210,382
Subscription based IT asset liability	-	10,013	-	-	-	10,013
Net pension liability	397,957	326,345	-	45,472	61,517	831,291
Total noncurrent liabilities	545,539	515,126	-	63,050	79,445	1,203,160
Total liabilities	814,148	709,791	-	1,597,406	871,512	3,992,857
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred inflows related to OPEB	8,459	7,232	-	310	811	16,812
Deferred inflows related to pensions	-	-	-	19,877	3,497	23,374
Total deferred inflows of resources	8,459	7,232	-	20,187	4,308	40,186
<b>NET POSITION</b>						
Net investment in capital assets	10,976,168	1,103,641	-	-	-	12,079,809
Unrestricted	14,336,756	3,351,275	-	2,386,911	7,615,367	27,690,309
Total net position	\$ 25,312,924	\$ 4,454,916	\$ -	\$ 2,386,911	\$ 7,615,367	\$ 39,770,118

## CITY OF AMES, IOWA

## COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

## INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

	<b>Fleet Services</b>	<b>Information Technology</b>	<b>Printing Services</b>	<b>Risk Management</b>	<b>Health Insurance</b>	<b>Total Internal Service Funds</b>
Operating revenues:						
Charges for services	\$ 4,829,699	\$ 3,413,760	\$ -	\$ 3,522,231	\$ 12,851,908	\$ 24,617,598
Operating expenses:						
Cost of goods and services	2,871,010	1,999,526	-	3,515,690	12,747,665	21,133,891
Depreciation	1,627,510	393,330	-	-	-	2,020,840
Total operating expenses	4,498,520	2,392,856	-	3,515,690	12,747,665	23,154,731
Operating income	331,179	1,020,904	-	6,541	104,243	1,462,867
Non-operating revenues (expenses):						
Investment income	721,342	142,262	-	120,959	398,230	1,382,793
Interest (expense)	-	(8,872)	-	-	-	(8,872)
Gain (loss) on disposal of capital assets	94,073	(23,076)	-	-	-	70,997
Miscellaneous	373	3,186	3,465	2,000	-	9,024
Total non-operating revenues	815,788	113,500	3,465	122,959	398,230	1,453,942
Income before transfers	1,146,967	1,134,404	3,465	129,500	502,473	2,916,809
Capital contributions	1,871,287	-	-	-	-	1,871,287
Transfers in	-	46,199	-	-	-	46,199
Transfers out	(46,199)	-	-	-	-	(46,199)
Change in net position	2,972,055	1,180,603	3,465	129,500	502,473	4,788,096
Net position, beginning	22,340,869	3,274,313	(3,465)	2,257,411	7,112,894	34,982,022
Net position, ending	\$ 25,312,924	\$ 4,454,916	\$ -	\$ 2,386,911	\$ 7,615,367	\$ 39,770,118

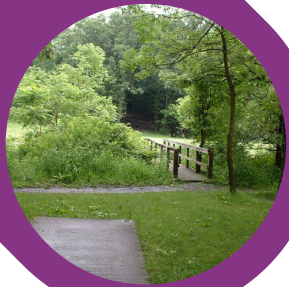
CITY OF AMES, IOWA  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

	Fleet Services	Information Technology	Printing Services	Risk Management	Health Insurance	Total Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from customers	\$ 4,829,081	\$ 3,458,798	\$ 65,274	\$ 3,523,691	\$ 13,055,166	\$ 24,932,010
Payments to suppliers	(1,542,638)	(575,030)	23,952	(3,129,593)	(12,417,565)	(17,640,874)
Payments to employees	(1,004,660)	(983,941)	(3,465)	(157,150)	(178,613)	(2,327,829)
Payments/receipts to other funds for services provided	(385,774)	(659,723)	(89,226)	(7,010)	(10,180)	(1,151,913)
Net cash provided by (used for) operating activities	1,896,009	1,240,104	(3,465)	229,938	448,808	3,811,394
<b>CASH FLOW FROM NON-CAPITAL FINANCING ACTIVITIES</b>						
Miscellaneous income	373	3,186	3,465	2,000	-	9,024
Transfers in	-	46,199	-	-	-	46,199
Transfers out	(46,199)	-	-	-	-	(46,199)
Net cash provided by (used for) non-capital financing activities	(45,826)	49,385	3,465	2,000	-	9,024
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Acquisition and construction of capital assets	(2,017,372)	(905,521)	-	-	-	(2,922,893)
Interest paid on leases/subscriptions	-	(8,872)	-	-	-	(8,872)
Proceeds from the sale of capital assets	76,540	-	-	-	-	76,540
Net cash used for capital and related financing activities	(1,940,832)	(914,393)	-	-	-	(2,855,225)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Purchase of investments	(12,948,837)	(3,314,159)	-	(3,554,819)	(7,532,085)	(27,349,900)
Proceeds from sale of investments	12,717,442	2,977,544	-	3,336,689	7,044,931	26,076,606
Interest on investments	706,796	137,482	-	116,170	390,021	1,350,469
Net cash provided by (used for) investing activities	475,401	(199,133)	-	(101,960)	(97,133)	77,175
Net increase in cash and cash equivalents	384,752	175,963	-	129,978	351,675	1,042,368
Cash and cash equivalents, beginning	2,697,916	612,835	-	716,282	1,441,532	5,468,565
Cash and cash equivalents, ending	\$ 3,082,668	\$ 788,798	\$ -	\$ 846,260	\$ 1,793,207	\$ 6,510,933

CITY OF AMES, IOWA  
COMBINING STATEMENT OF CASH FLOWS (continued)  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

	Fleet Services	Information Technology	Printing Services	Risk Management	Health Insurance	Total Internal Service Funds
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>						
Operating income	\$ 331,179	\$ 1,020,904	\$ -	\$ 6,541	\$ 104,243	\$ 1,462,867
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:						
Depreciation expense	1,627,510	393,330	-	-	-	2,020,840
Change in accounts receivable	(2,812)	59	-	(100)	203,340	200,487
Change in due from other funds	(20,773)	48,232	64,587	1,560	(82)	93,524
Change in intergovernmental receivable	22,967	(3,253)	687	-	-	20,401
Change in inventories	(8,849)	12,853	25,608	-	-	29,612
Change in prepaid items	(5,612)	(144,444)	-	-	-	(150,056)
Change in deferred outflows of resources	(65,139)	(72,612)	582	(8,549)	(9,514)	(155,232)
Change in accounts payable	7,393	(91,172)	(1,656)	(1,808)	(45,404)	(132,647)
Change in accrued payroll	(1,382)	1,124	-	-	594	336
Change in accrued compensated absences	(880)	12,086	(14,765)	(318)	1,198	(2,679)
Change in due to other funds	9,928	1,118	(89,226)	1,231	11	(76,938)
Change in claims payable	-	-	-	226,954	192,829	419,783
Change in intergovernmental payable	(35,954)	(210)	-	-	(3,003)	(39,167)
Change in post-employment benefits	34,009	35,849	(1,176)	6,134	6,588	81,404
Change in pension liability	54,591	26,948	13,874	8,643	10,131	114,187
Increase in deferred inflows of resources	(50,167)	(708)	(1,980)	(10,350)	(12,123)	(75,328)
Total adjustments	1,564,830	219,200	(3,465)	223,397	344,565	2,348,527
Net cash provided (used for) by operating activities	\$ 1,896,009	\$ 1,240,104	\$ (3,465)	\$ 229,938	\$ 448,808	\$ 3,811,394
<b>Schedule of non-cash capital and related financing activities:</b>						
Capital asset contributions	\$ 1,871,287	\$ -	\$ -	\$ -	\$ -	\$ 1,871,287
Capital asset trade ins	23,466	-	-	-	-	23,466

# STATISTICAL SECTION



1989-2024

PERFECT  
PERMIT  
COMPLIANCE

**35**  
YEARS



CITY OF  
Ames™

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 <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>	131
Revenue Capacity <i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	137
Debt Capacity <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>	141
Demographic and Economic Information <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>	147
Operating Information <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>	150

CITY OF AMES, IOWA  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
Net investment in capital assets	\$ 120,231,602	\$ 129,469,743	\$ 137,632,652	\$ 141,703,409	\$ 144,730,839	\$ 148,292,299	\$ 163,993,058	\$ 156,680,795	\$ 164,358,181	\$ 175,545,873
Restricted	19,525,973	19,116,323	20,842,946	21,714,454	22,260,410	23,978,574	26,517,909	39,812,571	33,350,851	34,641,621
Unrestricted	(2,573,072)	871,100	783,394	1,139,151	3,346,885	3,029,850	1,614,087	6,880,565	21,023,018	24,596,176
Total governmental activities	137,184,503	149,457,166	159,258,992	164,557,014	170,338,134	175,300,723	192,125,054	203,373,931	218,732,050	234,783,670
Business-type activities										
Net investment in capital assets	303,949,791	317,734,901	320,823,796	308,134,898	311,786,131	320,199,338	331,818,082	347,429,640	344,255,162	348,355,842
Restricted	1,027,652	2,262,200	2,425,524	2,458,169	2,554,924	30,006,410	21,349,489	10,993,096	2,694,534	3,514,189
Unrestricted	261,830,409	258,217,652	304,183,289	353,749,237	382,923,270	364,718,214	468,798,691	464,823,787	519,114,482	566,470,292
Total business-type activities	566,807,852	578,214,753	627,432,609	664,342,304	697,264,325	714,923,962	821,966,262	823,246,523	866,064,178	918,340,323
Primary government										
Net investment in capital assets	424,181,393	447,204,644	458,456,448	449,838,307	456,516,970	468,491,637	495,811,140	504,110,435	508,613,343	523,901,715
Restricted	20,553,625	21,378,523	23,268,470	24,172,623	24,815,334	53,984,984	47,867,398	50,805,667	36,045,385	38,155,810
Unrestricted	259,257,337	259,088,752	304,966,683	354,888,388	386,270,155	367,748,064	470,412,778	471,704,352	540,137,500	591,066,468
Total primary government	\$ 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	\$ 1,084,796,228	\$ 1,153,123,993

CITY OF AMES, IOWA  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Expenses</b>										
Governmental activities:										
General government	\$ 4,165,152	\$ 2,686,082	\$ 3,136,291	\$ 4,044,800	\$ 3,141,379	\$ 3,304,608	\$ 3,722,100	\$ 3,343,575	4,195,286	\$ 3,678,591
Public safety	12,730,107	15,524,747	17,292,304	18,202,532	18,951,047	20,956,310	21,464,000	16,610,543	19,606,339	21,310,211
Public works	12,482,265	13,650,452	13,698,162	15,667,469	16,929,643	17,259,469	11,484,497	17,447,329	23,486,400	19,310,601
Health and social services	1,161,242	1,180,361	1,342,880	1,293,038	1,499,781	1,463,008	1,387,924	1,634,556	1,688,515	1,812,403
Culture and recreation	9,857,775	9,770,521	9,872,288	10,989,672	11,059,949	11,257,074	12,452,132	11,306,025	11,819,080	12,415,577
Community and economic development	2,972,753	2,898,115	3,461,393	3,257,359	4,025,768	3,463,620	6,381,948	4,030,738	4,364,534	3,489,478
Interest	1,577,883	1,635,789	1,592,039	1,532,790	1,534,075	1,578,408	1,161,207	1,474,802	1,287,664	1,610,636
Total governmental activities	44,947,177	47,346,067	50,395,357	54,987,660	57,141,642	59,282,497	58,053,808	55,847,568	66,447,818	63,627,497
Business-type activities:										
Mary Greeley Medical Center	168,891,942	176,918,607	182,728,675	185,267,383	186,917,186	194,116,951	208,743,252	220,771,985	232,168,581	247,769,583
Electric	53,024,205	54,906,155	58,618,483	60,617,830	62,322,757	58,345,295	59,123,227	62,489,331	66,344,987	63,181,563
Sewer	7,435,226	7,229,003	7,574,949	8,558,520	8,826,479	7,020,822	6,933,018	6,788,649	8,938,924	8,237,076
Water	6,866,001	7,383,824	8,122,396	11,766,957	9,841,869	10,620,259	10,563,721	9,720,409	12,296,648	10,705,954
Airport	-	-	-	-	-	-	-	971,080	682,709	799,305
Parking	888,452	900,939	887,679	891,229	975,126	999,414	842,179	757,891	825,546	840,459
Transit	11,859,395	12,216,003	13,208,178	13,794,474	14,004,166	13,842,640	13,624,865	13,663,553	15,344,049	17,182,937
Stormwater	644,411	557,890	1,231,885	420,171	270,883	796,588	662,387	840,274	1,397,657	1,606,163
Ice arena	584,702	605,291	602,774	651,714	650,947	665,247	557,566	540,335	596,755	762,662
Golf course	253,997	243,309	258,459	227,798	254,380	215,211	253,985	266,379	281,547	330,949
Resource recovery	4,577,441	4,320,344	4,619,859	4,485,732	4,478,297	4,493,593	4,709,977	4,500,088	5,209,331	5,172,617
Total business-type activities	255,025,772	265,281,365	277,853,337	286,681,808	288,542,090	291,116,020	306,014,177	321,309,974	344,086,734	356,589,268
Total expenses	299,972,949	312,627,432	328,248,694	341,669,468	345,683,732	350,398,517	364,067,985	377,157,542	410,534,552	420,216,765
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	134,239	172,126	203,609	158,792	123,407	116,999	65,793	106,659	163,714	261,278
Public safety	3,652,787	3,345,400	3,768,480	3,421,439	3,476,553	3,865,956	3,306,460	3,406,960	3,835,808	4,020,491
Public works	715,898	277,437	268,565	2,737,534	310,035	314,576	310,887	119,170	62,722	31,634
Culture and recreation	2,029,655	1,939,498	2,135,274	2,131,253	2,158,429	1,414,160	1,497,606	1,879,755	1,838,259	1,929,538
Other activities	23,015	24,615	25,660	21,132	15,082	17,650	17,728	22,680	18,425	4,504
Operating grants and contributions	7,173,301	8,521,814	8,681,507	8,546,037	8,950,597	9,090,602	12,952,426	22,525,675	13,483,090	12,231,556
Capital grants and contributions	1,632,753	6,822,367	6,664,323	3,285,174	3,426,018	3,536,671	10,169,954	1,882,523	6,698,533	6,132,438
Total governmental activities	15,361,648	21,103,257	21,747,418	20,301,361	18,460,121	18,356,614	28,320,854	29,943,422	26,100,551	24,611,439

CITY OF AMES, IOWA  
CHANGES IN NET POSITION (continued)  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Business-type activities:										
Charges for services										
Mary Greeley Medical Center	184,201,460	181,534,863	189,944,553	194,988,247	192,530,036	194,363,177	210,825,315	221,854,322	228,820,061	254,224,892
Electric	56,636,062	58,511,422	64,339,637	68,660,541	68,342,980	64,882,140	64,127,039	67,655,268	69,947,197	64,739,189
Sewer	8,267,051	8,370,811	8,856,136	9,175,876	9,172,812	7,754,405	8,775,009	9,027,049	10,008,845	10,113,400
Water	9,584,813	9,987,307	10,502,276	10,620,863	10,414,170	11,448,309	12,824,209	11,959,469	13,679,655	13,540,505
Airport	-	-	-	-	-	-	-	244,473	196,590	327,291
Parking	891,983	925,177	899,705	829,993	1,011,601	797,454	677,293	952,298	787,312	862,948
Transit	5,814,552	6,337,415	6,576,578	6,746,369	6,803,540	6,735,543	6,552,915	7,062,349	7,559,823	7,943,781
Stormwater	1,215,233	1,241,840	1,700,529	1,817,030	1,842,228	1,852,740	1,484,479	1,890,675	1,966,491	1,990,013
Ice arena	532,001	544,300	481,831	504,884	475,197	444,262	382,917	529,289	548,860	524,805
Golf course	248,853	268,440	191,186	184,601	179,367	150,549	232,826	348,492	450,887	529,749
Resource recovery	3,687,927	3,031,997	3,314,210	2,719,456	2,879,813	3,019,801	3,645,649	4,299,454	4,291,005	4,354,177
Operating grants and contributions	3,161,366	3,405,067	5,062,412	4,961,244	4,437,834	8,118,261	15,629,698	15,205,764	7,233,367	5,870,307
Capital grants and contributions	3,304,381	1,474,384	4,752,319	1,728,763	3,097,169	2,014,199	3,581,879	8,366,793	14,010,493	3,470,229
Total business-type activities	277,545,682	275,633,023	296,621,372	302,937,867	301,186,747	301,580,840	328,739,228	349,395,695	359,500,586	368,491,286
Total program revenues	292,907,330	296,736,280	318,368,790	323,239,228	319,646,868	319,937,454	357,060,082	379,339,117	385,601,137	393,102,725
<b>Net (expense) / revenue</b>										
Governmental activities	(29,585,529)	(26,242,810)	(28,647,939)	(34,686,299)	(38,681,521)	(40,925,883)	(29,732,954)	(25,904,146)	(40,347,267)	(39,016,058)
Business-type activities	20,607,251	31,340,007	25,084,530	16,256,059	12,644,657	10,464,820	22,725,051	28,085,721	15,413,852	11,902,018
Total net (expense) / revenue	(8,978,278)	5,097,197	(3,563,409)	(18,430,240)	(26,036,864)	(30,461,063)	(7,007,903)	2,181,575	(24,933,415)	(27,114,040)

CITY OF AMES, IOWA  
CHANGES IN NET POSITION (continued)  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>General revenues</b>										
Governmental activities:										
Taxes										
Property taxes	25,988,892	27,114,273	28,166,804	29,680,915	31,204,329	32,973,640	34,742,024	35,243,169	35,258,374	36,155,078
Sales taxes	7,996,943	7,831,295	7,711,124	7,681,519	7,991,619	8,470,509	10,351,681	11,231,768	11,513,149	12,033,283
Hotel / motel taxes	2,113,310	2,272,323	2,435,756	2,412,667	2,515,468	1,986,157	1,552,850	2,415,735	2,878,390	2,762,285
Unrestricted grants and contributions	19,108	20,527	20,565	22,146	23,589	54,366	21,126	16,152	5,203	42,236
Investment income	455,916	699,289	211,126	689,377	2,190,478	2,177,884	436,298	(1,582,910)	2,068,855	5,775,114
Other income	133,787	450,340	251,997	1,214,979	759,997	602,881	595,001	58,780	4,347,957	483,821
Gain on disposal of assets	63,228	140,825	118,389	6,039	-	-	(105,678)	16,239	43,087	94,073
Transfers	117,020	(13,399)	(465,996)	(1,604,405)	(222,839)	(376,965)	(1,036,017)	(965,845)	(409,629)	(2,278,212)
Total governmental activities	36,888,204	38,515,473	38,449,765	40,103,237	44,462,641	45,888,472	46,557,285	46,433,088	55,705,386	55,067,678
Business-type activities:										
Investment income	8,201,914	1,001,761	27,543,163	18,271,065	19,708,701	8,135,196	79,779,629	(40,796,262)	22,739,276	36,730,482
Other income	64,714	40,083	417,879	427,961	337,470	647,271	3,786,658	3,744,892	4,364,976	1,340,362
Gain(loss) on disposal of assets	25,700	-	48,479	12,078	8,354	-	(285,055)	-	(110,078)	25,071
Transfers	(117,020)	13,399	465,996	1,604,405	222,839	376,965	1,036,017	965,845	409,629	2,278,212
Total business-type activities	8,175,308	1,055,243	28,475,517	20,315,509	20,277,364	9,159,432	84,317,249	(36,085,525)	27,403,803	40,374,127
Total primary government	45,063,512	39,570,716	66,925,282	60,418,746	64,740,005	55,047,904	130,874,534	10,347,563	83,109,189	95,441,805
<b>Change in net position</b>										
Governmental activities	7,302,675	12,272,663	9,801,826	5,416,938	5,781,120	4,962,589	16,824,331	20,528,942	15,358,119	16,051,620
Business-type activities	28,782,559	32,395,250	53,560,047	36,571,568	32,922,021	19,624,252	107,042,300	(7,999,804)	42,817,655	52,276,145
Total change in net position	\$ 36,085,234	\$ 44,667,913	\$ 63,361,873	\$ 41,988,506	\$ 38,703,141	\$ 24,586,841	\$ 123,866,631	\$ 12,529,138	\$ 58,175,774	\$ 68,327,765

CITY OF AMES, IOWA  
FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General fund										
Nonspendable	\$ 90,538	\$ 141,713	\$ 172,236	\$ 237,381	\$ 240,990	\$ 240,978	\$ 198,600	\$ 164,992	215,405	\$ 200,228
Assigned	296,803	725,077	809,033	580,004	402,312	283,809	548,738	1,835,107	1,822,619	1,238,509
Unassigned	10,332,050	11,137,621	11,270,733	10,824,689	12,119,527	13,768,589	14,843,131	12,329,478	14,301,791	15,607,102
Total general fund	<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>	<u>16,339,815</u>	<u>\$ 17,045,839</u>
All other governmental funds										
Nonspendable	2,007,044	2,023,387	2,059,985	2,038,896	2,081,395	2,118,765	2,113,189	3,075,380	3,043,874	2,348,586
Restricted	31,882,923	30,000,397	31,507,537	32,769,654	35,581,189	43,100,229	45,804,577	57,406,305	50,409,425	54,463,867
Committed	1,397,635	2,013,730	1,978,585	1,988,318	2,064,956	2,213,310	2,276,719	2,388,405	11,077,465	9,320,586
Assigned	-	71,393	-	-	-	-	-	-	-	-
Unassigned	(1,811,003)	(2,479,002)	(2,741,760)	(1,309,206)	(2,483,786)	(3,841,578)	(6,760,549)	(3,188,655)	(2,038,802)	(347,344)
Total all other governmental funds	<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>	<u>\$ 62,491,962</u>	<u>\$ 65,785,695</u>

CITY OF AMES, IOWA  
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>REVENUES</b>										
Taxes	\$ 36,080,369	\$ 37,207,916	\$ 38,313,146	\$ 39,760,873	\$ 41,716,868	\$ 43,506,488	\$ 46,764,902	\$ 48,890,673	\$ 49,649,913	\$ 50,950,647
Special assessments	362,306	222,895	298,227	564,860	321,318	303,643	244,640	250,101	239,370	241,098
Licenses and permits	2,017,035	1,687,317	2,059,688	1,635,289	1,554,088	1,856,585	1,146,818	1,204,048	1,473,446	1,503,843
Intergovernmental	8,277,965	14,500,743	10,983,498	11,815,543	10,242,731	11,293,897	19,562,865	25,733,276	20,591,860	15,635,958
Charges for services	3,517,164	3,596,467	3,798,813	3,914,432	4,066,129	3,413,036	4,063,867	4,287,041	4,320,337	4,608,223
Fines and forfeitures	138,720	93,652	67,584	65,504	43,614	28,276	29,083	30,690	34,741	40,879
Investment income	404,297	529,364	169,673	530,341	1,598,321	1,579,072	309,365	(1,165,866)	1,632,854	4,369,025
Interest revenue	-	-	-	-	-	-	-	23,510	23,424	23,294
Miscellaneous	825,429	852,639	930,506	1,856,014	1,231,347	1,064,583	595,063	348,975	4,347,961	478,627
Total revenues	51,623,285	58,690,993	56,621,135	60,142,856	60,774,416	63,045,580	72,716,603	79,602,448	82,313,906	77,851,594
<b>EXPENDITURES</b>										
Current:										
General government	3,308,736	2,655,547	3,520,312	3,806,110	2,965,150	3,031,260	3,405,595	3,527,579	4,062,536	3,804,580
Public safety	16,237,949	16,664,555	17,097,771	17,703,682	18,624,774	19,127,916	19,513,236	19,660,747	20,709,711	21,523,561
Public works	5,488,851	5,871,433	5,868,576	6,202,540	7,073,307	6,732,091	7,028,090	7,596,306	8,109,249	8,100,201
Health and social services	1,161,242	1,180,361	1,342,880	1,293,038	1,499,781	1,463,008	1,388,067	1,634,714	1,688,522	1,812,435
Culture and recreation	7,613,063	8,263,043	8,648,567	9,072,955	9,168,122	9,253,898	10,271,228	9,421,839	9,680,746	10,353,626
Community and economic development	2,875,879	2,909,942	3,464,575	3,249,583	4,028,589	3,448,039	6,376,268	4,098,763	4,397,770	3,520,499
Debt service:										
Principal	7,364,829	13,142,882	10,481,762	8,657,150	8,862,109	8,973,882	17,879,527	19,221,616	9,217,861	9,611,518
Interest and fiscal charges	1,765,082	1,995,674	2,064,652	2,067,672	2,120,728	2,158,844	2,263,676	2,316,384	2,376,328	2,628,323
Capital outlay	14,294,598	24,428,030	12,119,780	11,983,901	11,432,322	12,147,899	21,961,944	17,863,931	30,404,110	25,664,179
Total expenditures	60,110,229	77,111,467	64,608,875	64,036,631	65,774,882	66,336,837	90,087,631	85,341,879	90,646,833	87,018,922
Excess (deficiency) of revenues over (under) expenditures	(8,486,944)	(18,420,474)	(7,987,740)	(3,893,775)	(5,000,466)	(3,291,257)	(17,371,028)	(5,739,431)	(8,332,927)	(9,167,328)
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers in	9,917,519	13,410,870	10,665,237	10,451,681	10,702,128	10,890,297	13,690,066	14,941,345	13,307,335	16,517,714
Transfers out	(9,879,039)	(13,474,329)	(10,940,973)	(12,060,457)	(10,924,967)	(11,267,262)	(14,726,083)	(16,002,190)	(13,716,964)	(16,283,891)
General obligation bonds issued	9,395,000	11,435,000	6,890,605	6,985,000	7,490,000	10,520,000	9,500,000	9,850,000	12,440,000	12,110,000
Premium on general obligation bonds	238,187	901,045	475,349	602,484	610,152	1,025,738	1,249,757	1,283,972	827,311	681,309
Lease financing	-	-	-	-	-	-	-	-	-	141,953
Subscription financing	-	-	-	-	-	-	-	-	296,010	-
Refunding bonds issued	-	5,150,000	2,130,000	3,990,000	-	-	7,929,118	9,372,505	-	-
Premium on refunding bonds	-	436,214	189,555	326,513	-	-	861,282	1,280,406	-	-
Payment to refunded bond escrow	-	-	-	(4,328,059)	-	-	-	-	-	-
Total other financing sources (uses)	9,671,667	17,858,800	9,409,773	5,967,162	7,877,313	11,168,773	18,504,140	20,726,038	13,153,692	13,167,085
Net change in fund balances	\$ 1,184,723	\$ (561,674)	\$ 1,422,033	\$ 2,073,387	\$ 2,876,847	\$ 7,877,516	\$ 1,133,112	\$ 14,986,607	\$ 4,820,765	\$ 3,999,757
Debt service as a percentage of non-capital expenditures	20.0%	28.2%	24.2%	20.1%	19.6%	19.8%	31.4%	30.9%	17.2%	18.5%

CITY OF AMES, IOWA  
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Residential Property	Commercial Property	Industrial Property	Utilities	Multi- Residential <sup>1</sup>	Other Property <sup>1</sup>	Less: Military Tax Exemption	Total Taxable Value	Total Direct Tax Rate	Estimated Actual Assessed Value	Taxable Value as a Percentage of Estimated Actual Assessed Value
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%
2023	2,107,012,157	925,371,686	152,892,690	20,497,504	195,899,734	-	1,972,380	3,399,701,391	9.8294	5,512,039,832	61.68%
2024	2,308,953,296	924,053,036	156,213,595	19,403,742	-	-	1,926,080	3,406,697,589	10.20097	5,541,171,438	61.48%

Source: Story County Auditor

<sup>1</sup> Fiscal year 2017 is the first fiscal year to have these classifications.

CITY OF AMES, IOWA  
PROPERTY TAX RATES  
DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS

Fiscal Year	City Direct Rates					Overlapping Rates <sup>1</sup>			Total Direct & Overlapping Rates
	General <sup>2</sup>	Public Transit	Employee Benefits	Debt Service	Total Direct Tax Rate <sup>3</sup>	Ames School District <sup>4</sup>	Consoli- dated County <sup>5</sup>	Area Vocational <sup>6</sup>	
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
2023	5.51359	0.59831	0.64337	3.07409	9.82936	14.28616	5.89114	0.69448	30.70114
2024	6.34138	0.06055	-	3.25407	9.65600	13.93640	5.90384	0.74410	30.24034

<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, IOWA  
 PRINCIPAL PROPERTY TAXPAYERS  
 CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2024			2015		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
Iowa State University Research Park	\$ 67,803,701	1	1.99%	\$ 35,173,530	1	1.49%
Barilla America Inc.	49,670,131	2	1.46%	32,579,100	2	1.38%
Clinic Building Company, Inc.	35,497,425	3	1.04%	19,397,610	4	0.82%
Campus Investors IS LLC	34,570,683	4	1.02%	31,609,753	3	1.34%
FPA6 University West LLC	25,179,953	5	0.74%			
Spirit Realty LP	23,716,140	6	0.70%			
Bricktowne Ames LC	21,973,417	7	0.65%			
SZ Ames Apartments LLC	21,839,873	8	0.64%			
GW Land Holdings LLC	20,447,255	9	0.60%	16,479,445	7	0.70%
Dayton Park LLC	20,098,133	10	0.59%			
US Bank, NA Trustee <sup>1</sup>				19,019,520	5	0.81%
Wal-Mart Stores, Inc.				17,100,000	6	0.73%
GPT Ames Owner LLC				15,549,300	8	0.66%
West Towne Condos, LLC				14,398,364	9	0.61%
University West Property Owner LLC				14,194,195	10	0.60%
	<u>\$ 320,796,711</u>		<u>9.43%</u>	<u>\$ 215,500,817</u>		<u>9.14%</u>

<sup>1</sup> Formerly North Grand Mall Partners, LLC

Source: Story County Auditor

CITY OF AMES, IOWA  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Tax Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount Collected	Percentage of Levy		Amount Collected	Percentage of Levy
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%
2023	33,548,230	31,685,079	94.45%	-	31,685,079	94.45%
2024	34,833,360	33,922,305	97.38%	-	33,922,305	97.38%

Sources: Story County Auditor and City Finance Department

CITY OF AMES, IOWA  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities		Business-Type Activities					Total Outstanding Debt	Percentage of Personal Income <sup>2</sup>	Population <sup>3</sup>	Per Capita
	General Obligation Bonds <sup>1</sup>	Leases, SBITAs and Other Financing Arrangements	General Obligation Bonds <sup>1</sup>	Revenue Bonds <sup>1</sup>	Notes Payable	Leases, SBITAs, and Other Financing Arrangements	Loans Payable				
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	66,427	3,534
2022	65,692,675	64,975	3,575,334	101,662,284	-	1,412,904	54,333,000	226,741,172	10.80	66,427	3,413
2023	68,682,219	600,297	2,903,734	94,335,613	-	2,150,419	60,876,173	229,548,455	10.75	66,427	3,456
2024	70,875,498	489,631	2,208,746	86,801,547	-	2,895,326	66,806,214	230,076,962	11.15	66,427	3,464

<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, IOWA  
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>
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%	1,012
2022	69,268,009	2,090,539	67,177,470	1.29%	1,011
2023	71,585,953	2,352,740	69,233,213	1.26%	1,042
2024	73,084,244	3,870,709	69,213,535	1.25%	1,042

<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, IOWA  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2024

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Amount Applicable to Primary Government
Debt repaid with property taxes:			
Ames Community School District	\$ 75,375,000	98.41%	\$ 74,176,538
Gilbert Community School District	21,110,000	51.35%	10,839,985
Des Moines Area Community College <sup>1</sup>	23,550,000	5.50%	1,295,250
Nevada Community School District	7,223,000	0.24%	17,335
United Community School District	1,105,000	3.52%	38,896
Story County	2,953,932	58.75%	1,735,435
Other debt:			
Ames Community School District revenue bonds	14,776,000	98.41%	14,541,062
Gilbert Community School District revenue bonds	3,923,000	51.35%	2,014,461
Des Moines Area Community College revenue bonds	-	5.50%	-
Nevada Community School District revenue bonds	6,995,000	0.24%	16,788
United Community School District revenue bonds	1,840,000	3.52%	64,768
Story County	315,757	58.75%	185,507
Subtotal, overlapping debt			104,926,025
City direct debt			71,365,129
Total direct and overlapping debt			<u>\$ 176,291,154</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, IOWA  
LEGAL DEBT MARGIN  
JUNE 30, 2024

Legal debt margin for the fiscal year ended June 30, 2024:

Assessed value	<u>\$ 5,541,171,438</u>
Debt limit (5% of actual value)	\$ 277,058,572
Debt applicable to limit:	
General obligation bonds	<u>67,035,000</u>
Legal debt margin	<u>\$ 210,023,572</u>
Percentage of net debt margin available	<u>75.80%</u>
Percentage of net debt margin exhausted	<u>24.20%</u>

Year	Debt Limit	Outstanding Debt	Percentage of Net Debt Margin Available
2024	\$ 277,058,572	\$ 67,035,000	75.80%
2023	275,601,992	65,175,000	76.35%
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%

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

CITY OF AMES, IOWA  
 PLEDGED-REVENUE COVERAGE  
 LAST TEN FISCAL YEARS

<b>Hospital Revenue Bond</b>						
<b>Fiscal Year</b>	<b>Gross Revenues<sup>3</sup></b>	<b>Less: Operating Expenses</b>	<b>Net Available Revenue</b>	<b>Debt Service<sup>1</sup></b>		<b>Coverage</b>
				<b>Principal</b>	<b>Interest</b>	
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
2023	228,820,061	211,078,882	17,741,179	5,800,000	3,217,196	1.97
2024	254,224,892	226,369,690	27,855,202	6,010,000	3,006,300	3.09

<b>Electric Revenue Bond</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>	
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
2023	69,947,197	60,435,587	9,511,610	835,000	131,556	9.84
2024	64,739,189	57,284,783	7,454,406	875,000	89,806	7.73

CITY OF AMES, IOWA  
 PLEDGED-REVENUE COVERAGE (continued)  
 LAST TEN FISCAL YEARS

Sewer Capital Loan Note						
Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service <sup>2</sup>		Coverage
				Principal <sup>4</sup>	Interest	
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
2023	10,008,845	6,963,637	3,045,208	443,000	138,584	5.24
2024	10,113,400	6,057,726	4,055,674	934,852	344,417	3.17

Water Capital Loan Note						
Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
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
2023	13,679,655	8,667,969	5,011,686	2,927,000	963,156	1.29
2024	13,540,505	7,041,114	6,499,391	3,329,000	988,916	1.51

<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, IOWA  
 DEMOGRAPHIC AND ECONOMIC STATISTICS  
 LAST TEN CALENDAR YEARS

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Calendar Year	Population <sup>1</sup>	Per Capita Personal Income <sup>1</sup>	Personal Income	School Enrollment <sup>2</sup>	Unemployment Rate <sup>3</sup>
2015	58,965	23,713	\$ 1,398,237,045	4,171	2.7%
2016	58,965	24,082	1,419,995,130	4,181	2.4
2017	58,965	27,629	1,629,143,985	4,188	2.4
2018	58,965	30,615	1,805,213,475	4,300	2.0
2019	58,965	24,946	1,470,940,890	4,387	1.6
2020	66,258	26,548	1,759,017,384	4,477	1.9
2021	66,427	27,483	1,825,613,241	4,351	3.7
2022	66,427	31,600	2,099,093,200	4,484	2.2
2023	66,427	32,137	2,134,764,499	4,440	2.5
2024	66,427	31,050	2,062,558,350	4,547	3.0

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

<sup>2</sup> Ames School District

<sup>3</sup> Iowa Workforce Development

CITY OF AMES, IOWA  
 PRINCIPAL EMPLOYERS  
 CURRENT YEAR AND NINE YEARS AGO

Employer	2024			2015		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Iowa State University	18,212	1	31.36%	15,695	1	27.30%
Mary Greeley Medical Center	1,545	2	2.66	1,287	2	2.24
McFarland Clinic, P.C.	1,200	3	2.07	650	8	1.13
Danfoss Corp. <sup>1</sup>	1,052	4	1.81	920	4	1.60
Iowa Department of Transportation	975	5	1.68			
City of Ames	972	6	1.67	910	5	1.58
USDA	750	7	1.29	679	7	1.18
Ames Community School District	572	8	0.98	1,226	3	2.13
Hach Chemical	580	9	1.00			
Workiva	550	10	0.95	432	10	0.75
Hy-Vee Food Stores				790	6	1.37
Wal-Mart				435	9	0.76
Total			<u>45.47%</u>			<u>40.04%</u>

<sup>1</sup> Formerly Sauer-Danfoss

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

CITY OF AMES, IOWA  
 FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION  
 LAST TEN FISCAL YEARS

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General government:										
Management services	23.25	23.25	24.25	24.25	24.50	24.50	24.50	25.50	25.50	26.50
Finance	40.75	40.75	40.75	40.75	41.00	41.00	41.00	41.00	41.00	41.00
Planning and housing	7.00	7.00	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	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	81.55	84.05	84.05	84.05	84.50	85.50	85.50	85.50	87.75	88.30
Fire/inspections	65.00	65.00	68.00	70.00	71.00	72.00	73.00	74.00	74.00	74.00
Police/animal control/parking	77.65	77.65	79.65	80.65	82.15	83.15	84.60	85.05	85.05	85.05
Library	35.25	35.50	35.75	35.75	36.50	37.00	37.00	37.00	37.50	38.50
Parks and recreation	19.50	19.50	25.00	25.00	25.00	25.00	26.75	27.75	27.75	38.75
Water and pollution control	40.05	40.05	40.30	40.30	40.00	40.00	38.00	38.00	39.00	39.00
Electric	81.00	81.00	81.00	81.00	81.00	81.00	81.00	81.00	81.00	81.00
Public works:										
Administration	1.50	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Engineering	14.00	15.75	15.75	14.75	14.75	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	22.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00
Utility maintenance	11.00	11.00	11.00	11.00	11.00	12.00	13.00	13.00	13.00	13.00
Other	13.00	13.00	8.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Hospital	1,050.00	1,071.00	1,067.00	1,082.00	1,086.00	1,117.00	1,143.00	1,168.00	1,222.00	1,208.00
Total	1,610.50	1,636.00	1,642.00	1,660.00	1,667.90	1,703.40	1,732.60	1,761.05	1,818.80	1,818.35

<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  
 Position control register

CITY OF AMES, IOWA  
OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General government:										
Number of licenses/permits processed	617	559	714	635	752	561	598	546	547	498
Police:										
Physical arrests	1,531	1,362	1,215	1,596	1,480	1,380	778	1,063	1,075	1,043
Parking violations	46,759	50,280	47,272	38,798	32,711	27,278	25,152	27,511	24,173	28,677
Traffic violations	2,981	2,451	2,614	2,834	2,328	2,092	1,667	1,803	2,219	2,813
Fire:										
Number of fires	107	126	89	116	80	82	117	93	109	93
Number of ambulance assists	2,464	2,442	2,663	2,646	2,857	2,473	2,064	3,399	3,533	3,552
Inspections	1,205	1,435	1,074	831	501	582	322	535	486	608
Library:										
Total circulation	1,255,953	1,304,434	1,280,305	1,222,360	1,220,180	961,602	854,397	1,043,230	994,326	998,192
Library visits	426,608	506,034	523,673	508,918	485,929	336,272	268,927	279,123	317,020	332,355
Parks and recreation:										
Total number of participant visits	279,103	293,757	255,227	280,766	281,420	187,725	157,593	200,606	157,896	168,519
Total number of activities	175	187	194	196	200	175	325	806	171	190
Resource recovery:										
Tons of refuse processed	50,035	41,646	45,598	37,124	33,173	33,511	40,040	40,040	44,634	44,360
Tipping fee per ton	52.75	52.75	52.75	55.00	55.00	58.75	58.75	62.50	62.50	62.50
Other public works:										
Blocks of streets crack sealed	90	66	73	65	81	88	20	87	149	103
Blocks of streets slurry sealed	22	36	33	30	-	-	56	37	26	-
Blocks of seal coat reconstruction	4	16	-	10	6	-	4	4	3	2
Hospital:										
Total admissions	8,298	7,867	8,368	8,510	8,267	8,230	8,082	8,355	8,446	8,473
Average percent of occupancy	50.5%	49.3%	49.7%	50.2%	50.6%	52.1%	53.7%	54.5%	55.0%	57.4%
Electric:										
Kilowatt hours produced at plant	278,471,640	243,388,530	244,149,566	222,873,411	167,189,716	176,914,000	245,972,108	304,668,733	303,304,598	327,599,976
Meters in service	26,023	26,232	26,475	27,324	27,348	27,613	27,701	27,735	27,848	27,902
Transit:										
Passengers	6,711,665	6,785,479	6,658,027	6,572,065	6,121,023	4,577,482	1,862,274	3,669,894	4,142,196	4,715,514
Total miles driven	1,599,493	1,658,443	1,635,781	1,649,762	1,516,271	1,437,907	1,432,914	1,468,962	1,485,448	1,597,552
Water:										
Billion gallons per year pumped	2.022	2.110	2.131	2.245	2.117	2.260	2.359	2.312	2.443	2.407
Utility locates performed	6,615	8,121	7,383	7,113	6,932	7,935	14,152	8,834	8,019	8,716
Water main breaks	19	19	18	42	46	19	29	25	24	28
Wastewater:										
Billion gallons per year treated	2.389	2.690	2.427	2.141	2.706	2.291	1.849	2.108	2.100	2.103

Sources: City departments and Mary Greeley Medical Center

CITY OF AMES, IOWA  
CAPITAL ASSET STATISTICS BY FUNCTION  
LAST TEN FISCAL YEARS

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	11	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	36	36	38	38	38	38	40	40
Total number of park acres	1,227	1,227	1,223	1,224	1,230	1,230	1,230	1,215	1,266	1266
Total number of athletic fields	18	18	18	21	21	21	21	21	21	21
Other public works:										
Miles of streets	291	291	300	305	305	249	252	252	252	210
Number of traffic signals	67	67	68	69	70	71	76	78	78	78
Number of signs	9,485	9,509	9,854	10,087	10,658	10,876	11,052	11,069	11,206	11,348
Hospital:										
Beds in operation	199	199	199	199	199	199	199	199	199	199
Transit:										
Buses owned	104	105	104	105	104	89	90	90	92	89
New buses purchased	6	9	5	3	1	-	3	6	9	2
Water:										
Miles of water mains	247	254	247	249	250	250	252	253	255	257
Fire hydrants	2,771	2,847	2,906	2,948	2,977	2,995	3,029	3,054	3,087	3,140
Wells	28	28	25	24	25	25	25	25	22	22
Wastewater:										
Sanitary sewer miles	204	204	210	211	212	212	213	215	215	218
Stormwater miles	263	271	276	277	278	279	284	284	284	294

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

Sources: City departments and Mary Greeley Medical Center

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# COMPLIANCE SECTION



2010-2025  
FURMAN  
AQUATIC CENTER

**15**  
YEARS





Information to Comply with *Government Auditing Standards*  
and Uniform Guidance

June 30, 2024

City of Ames, Iowa



**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 (*Government Auditing Standards*), 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, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated January 28, 2025. 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 City'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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### **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 are described 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, 2024 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the City. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

### **City's Response to Finding**

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

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

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Dubuque, Iowa  
January 28, 2025



## **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, 2024. 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, 2024.

#### ***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, 2024. 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.

The image shows a handwritten signature in cursive script that reads "Eric Bailly LLP". The signature is written in dark ink and is positioned above the printed name and date.

Dubuque, Iowa  
January 28, 2025

City of Ames, Iowa  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Expenditures
U.S. Department of Commerce			
Economic Development Cluster			
Direct program			
Investments for Public Works and Economic Development Facilities	11.300		\$ 47,925
U.S. Department of Housing and Urban Development			
Direct program			
CDBG - Entitlement Grants Cluster			
Community Development Block Grants/Entitlement Grants	14.218		317,528
Pass-through program from			
Iowa Economic Development Authority			
Community Development Block Grants/State's Program and Non-entitlement Grants in Hawaii	14.228	08-CVE-011	53,569
Direct program			
Home Investment Partnership Program	14.239		9,419
Total U.S. Department of Housing and Urban Development			380,516
U.S. Department of Justice			
Direct program			
Edward Byrne Memorial Justice Assistance Grant Program	16.738		14,216
Edward Byrne Memorial Justice Assistance Grant Program	16.738		2,480
Total U.S. Department of Justice			16,696
U.S. Department of Transportation			
Direct program			
Airport Improvement Program	20.106		662,590
Airport Improvement Program	20.106		69,998
			732,588

See Notes to Schedule of Expenditures of Federal Awards

City of Ames, Iowa  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Expenditures
U.S. Department of Transportation (continued)			
Pass-through program from			
Iowa Department of Transportation			
Highway Planning and Construction	20.205	24MPO-AAMPO	\$ 152,629
Highway Planning and Construction	20.205	TAP-U-0155(711)--27-85	894,403
Highway Planning and Construction	20.205	TAP-U-0155(709)--8I-85	416,522
Highway Planning and Construction	20.205	22-TAP-110	62,104
		STP-U-0155(690)--70-85	62,104
		STP-U-0155(697)--70-85	<u>1,525,658</u>
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	24MPO-AAMPO	<u>40,248</u>
Federal Transit Cluster			
Direct program			
Federal Transit - Formula Grants	20.507		3,273,398
Federal Transit - Formula Grants	20.507		649,611
Pass-through program from			
Iowa Department of Transportation			
Federal Transit - Formula Grants	20.507	IA-2023-013-01-00	<u>98</u>
			<u>3,923,107</u>
Direct program			
Buses and Bus Facilities Formula, Competitive and Low or No Emissions Programs	20.526		<u>105,299</u>
Total Federal Transit Cluster			<u>4,028,406</u>

See Notes to Schedule of Expenditures of Federal Awards

City of Ames, Iowa  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	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 with Disabilities	20.513	2022-008-00	\$ 135,372
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	2020-001-01-FFY20-SFY21	249,917
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	IA-2023-006-03-01; 00006868	46,080
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	IA-2023-006-03-01; 00006867	94,061
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	IA-2023-006-03-01; 00006868	37,306
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	IA-2023-006-01; 00005213	59,531
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	IA-2023-006-01; 00005246	48,966
Total Transit Services Programs Cluster			<u>671,233</u>
Highway Safety Cluster			
Pass-through program from			
Iowa Department of Public Safety			
State and Community Highway Safety	20.600	PAP 23-402-M0PS Task 00-02-00	1,500
State and Community Highway Safety	20.600	PAP 23-402-M0PT Task 01-00-00	3,335
State and Community Highway Safety	20.600	PAP 402-PT-2024 Task 05-40-01	14,773
State and Community Highway Safety	20.600	PAP 402-AL-2024 Task 02-40-01	6,242
			<u>25,850</u>
National Priority Safety Programs	20.616	PAP 23-405d-M6OT Task 01-00-00	2,355
Total Highway Safety Cluster			<u>28,205</u>
Total U.S. Department of Transportation			<u>7,026,338</u>
U.S. Department of the Treasury			
Direct Program			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		<u>1,260,420</u>

See Notes to Schedule of Expenditures of Federal Awards

City of Ames, Iowa  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Expenditures
National Endowment for the Humanities (NEH) Pass-through program from Iowa Department of Cultural Affairs Promotion of the Arts Partnership Agreements	45.025	1903747-61-22, 00032319	\$ 2,750
U.S. Department of the Environmental Protection Agency Pass-through program from Iowa Finance Authority Capitalization Grants for Clean Water State Revolving Funds	66.458	unknown	1,401,221
Iowa Finance Authority Capitalization Grants for Drinking Water State Revolving Funds	66.468	unknown	6,938,446
Total U.S. Department of the Environmental Protection Agency			8,339,667
Total Federal Financial Assistance			\$ 17,074,312

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, 2024. 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, 2024.

**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	No
Significant deficiencies identified not considered to be material weaknesses	None reported
Noncompliance material to financial statements noted	No

**Federal Awards**

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

**Identification of major programs:**

<u>Name of Federal Program or Cluster</u>	<u>Federal Financial Assistance Listing</u>
COVID-19 -Coronavirus State and Local Fiscal Recovery Funds	21.027
Capitalization Grants for Drinking Water State Revolving Funds	66.468
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee	No

**Part II: Financial Statement Findings**

There were no findings to report.

**Part III: Federal Award Findings and Questioned Costs**

There were no findings and questioned costs to report.

**Part IV: Other Findings Related to Required Statutory Reporting**

**2024-IA-A     Certified Budget:** Disbursements during year ended June 30, 2024 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.

**Response** – The budget will be amended in the future, if applicable.

**Conclusion** – Response accepted.

**2024-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.

**2024-IA-C     Travel Expense:** No expenditures of City money for travel expenses of spouses of City officials or employees were noted.

**2024-IA-D     Business Transactions:** Business transactions between the City and City officials or employees are detailed as follows:

<u>Name, Title, and Business Connection</u>	<u>Transaction Description</u>	<u>Amount</u>
Gary Milam, Employee, Brother is owner of Milam Concrete & Construction	Services	\$ 450

According to Chapter 362.5 of the Code of Iowa, an officer or employee of a City shall not have an interest, direct or indirect, in a contract with that City. The provision does not apply to transactions that do not exceed a cumulative total purchase price of \$6,000 in a fiscal year or to contracts made by a city upon competitive bid.

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

- 2024-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.
- 2024-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.
- 2024-IA-G      Council Minutes:** No transactions were found that we believe should have been approved in the Council minutes but were not.
- 2024-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.
- 2024-IA-I      Revenue Bonds:** No instances of noncompliance with the provisions of the City's revenue bond resolutions were noted.
- 2024-IA-J      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.
- 2024-IA-K      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, 2023.