



Coal Combustion Residue Monofill Financial Assurance Report Form

SECTION 1: FACILITY INFORMATION

(please print or type)

Information Requested

Facility Name: Ames Power Plant

Permit Number: 85-SDP-20-23C

Permitted Agency/Entity: Ames Municipal Electric System

SECTION 2: CLOSURE/POSTCLOSURE OR CORRECTIVE ACTION COST ESTIMATES

Information Requested	Cost Estimate	Date of Cost Estimate
Updated Closure Cost Estimate	\$	
Updated Postclosure Cost Estimate	\$ 88,500	4/27/2026
Initial or Updated Corrective Action Cost Estimate	\$	

*Attach closure/postclosure cost estimate(s) signed and certified by an Iowa-licensed professional engineer. Cost estimates shall include, at a minimum, each of the cost line items defined in 103.3(3)"c" for closure and 103.3(4)"c" for postclosure. Please provide closure and/or postclosure site area acreage information with the estimates.

Provide a cost estimate for corrective action only if corrective action is required and a corrective action plan has been approved by the Department. Attach the corrective action cost estimate signed and certified by an Iowa-licensed professional engineer. The cost estimate shall account for total costs of the activities described in the approved corrective action plan for the corrective action period.

SECTION 3: FACILITY WASTE TONNAGE INFORMATION

Information Requested	Tons
Remaining permitted capacity as of the beginning of permit holder's current fiscal year	0
Amount of waste disposed of at the facility during the prior year	0

SECTION 4: PROOF OF COMPLIANCE

Publicly Owned Coal Combustion Residue Monofills

(ATTACH AUDIT REPORT)

Owner's Most Recent Annual Audit Report

Prepared by: Department of Finance, Accounting Division

For fiscal year ending: June 30, 2025

Privately Owned Coal Combustion Residue Monofills

(ATTACH AFFIDAVIT)

Attach owner/operator's affidavit indicating that an annual review has been performed by a certified public accountant to determine whether the privately owned monofill is in compliance with IAC 567 Chapter 103. The affidavit shall state the name of the certified public accountant, the dates and conclusions of the review, and the steps taken to rectify any deficiencies identified by the accountant.

Information Requested	Beginning Balance	Ending Balance	Projected Deposit
Dedicated Fund Balance <i>(see formula below)</i>	\$	\$	\$
Trust Fund Balance <i>(see formula below)</i>	\$	\$	\$

Formula for Projected Deposits

Dedicated/Trust Fund

$$\frac{CE-CB}{Y}$$

Where "CE" is the closure or postclosure cost estimate, "CB" is the balance 30 days after close of the previous fiscal year, and "Y" is number of years remaining in the pay-in period.

If needed, the space below can be used to show calculations for projected deposits

SECTION 7: PERMIT HOLDER ENDORSEMENT

Submittal of this completed and endorsed form along with all required documentation establishes Notification and Proof of Permit Holder Compliance with IAC 567 Chapter 103.

Name of Official: Donald Kom Title: Electric Services Director

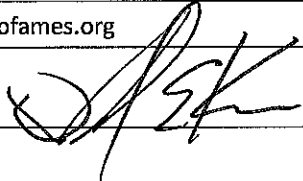
Agency/Entity: Ames Municipal Electric System

Address: 502 Carroll Ave

City: Ames State: IA Zip: 50010

Telephone: 515-239-5171 Fax: _____

Email Address: donald.kom@cityofames.org

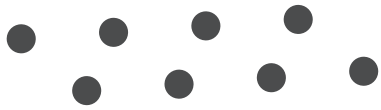
Signature of Official:  Date: 13 May 2026

Questions? Contact Mary Klemesrud at (515) 802-8835 or Mary.Klemesrud@dnr.iowa.gov

City of Ames, Iowa

ANNUAL COMPREHENSIVE FINANCIAL REPORT

for the fiscal year ended June 30, 2025



City of Ames, Iowa

ANNUAL COMPREHENSIVE FINANCIAL REPORT

for the fiscal year ended June 30, 2025

AMES PUBLIC ART: Creativity around the Corner

Public art is more than decoration; it is a visible measure of a community's vitality, values, and forward momentum. From striking metal sculptures to intricate fiber works and vibrant acrylic paintings, the artistic expressions that make up Ames' public art collection invite residents and visitors to pause, reflect, and engage. Art transforms everyday spaces into places of curiosity, conversation, and connection.

Ames is a community filled with creative, fun, whimsical, and thoughtful pieces of public art that captivate the imagination and spark dialogue. Each installation tells a story about the place it occupies, the people who encounter it, and the ideas it represents. Whether playful or profound, public art breaks down barriers, making creativity accessible beyond the walls of galleries and performance spaces. It encourages viewers of all ages and backgrounds to see their environment in new ways and to feel a sense of shared ownership in their community.

A robust collection of public art serves as a signal that a community prioritizes innovation and cultural investment. This is especially fitting for Ames, home to Iowa State University and a hub of research, discovery, and forward-thinking ideas. The same spirit that drives scientific exploration and technological progress also fuels artistic expression. Together, they create a dynamic environment where creativity and problem-solving complement each other.

Public art enhances quality of life and strengthens community identity. It enriches streetscapes, invites tourism, and boosts civic pride. Most importantly, it reflects a community that believes progress is not defined only by numbers and data, but by imagination, expression, and shared experiences that shape a truly vibrant place to live.



CITY OF AMES, IOWA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

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

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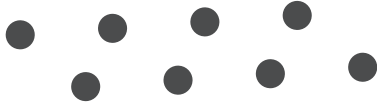
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INTRODUCTORY SECTION



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January 31, 2026

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, 2025, 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, 2025. 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%, therefore it has risen a little to 3.2% recently.

Per capita income in the Ames MSA has experienced 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 raise funds for these improvements, staff expect 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 planning the transition from the Resource Recovery System into the new model, Resource Recovery and Recycling Campus (R3C), where refuse-derived fuel is no longer produced for the Power Plant. This long-term shift in operations and rate structure is planned to be operational in July 2027 with Carroll County as the City's landfill partner. 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. A new city-wide curbside recycling program will consolidate and transport to recyclers.

As part of the City's capital planning process, the City Council has identified major initiatives: a new animal control shelter, the relocation of fire station #2, development of Ontario Park, and construction of a new indoor recreation facility. 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, 2024. This was the third 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, 2025. 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 40th 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 the necessary data for this report. Credit is also due to the Mayor and members of the City Council for their interest and support of our efforts in conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,

Steven L. Schainker
City Manager



Corey Goodenow
Director of Finance





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

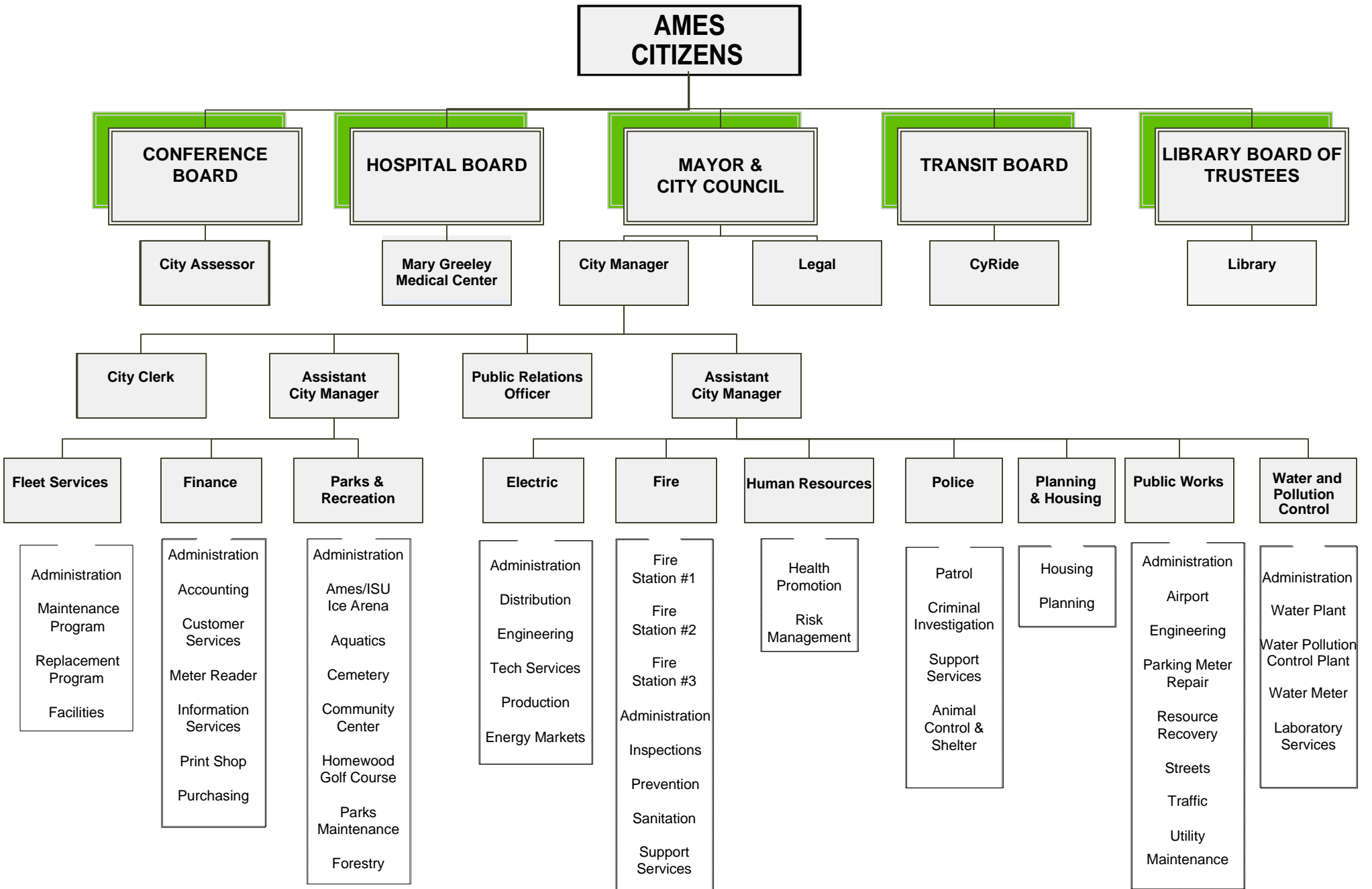
**City of Ames
Iowa**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO



CITY OF AMES, IOWA
LIST OF ELECTED AND APPOINTED OFFICIALS
FOR THE YEAR ENDED JUNE 30, 2025

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/ Justin Clausen
Director of Water and Pollution Control	John Dunn
Fire Chief	Rich Higgins
Police Chief	Geoff Huff

Other Officials:

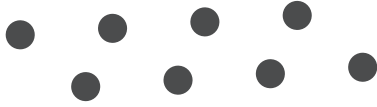
Director of Transportation	Barbara Neal
Library Director	Sheila Schofer

Hospital Administration:

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

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FINANCIAL SECTION



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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Ames, Iowa (City), as of and for the year ended June 30, 2025, 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, 2025, 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 56 percent, 57 percent, and 70 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. The financial statements of the Mary Greeley Medical Center Foundation were not audited in accordance with *Government Auditing Standards*.

Adoption of New Accounting Standard

As discussed in Note 4.24 to the financial statements, the City has adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, for the year ended June 30, 2025. Accordingly, a restatement has been made to the City's net position as of July 1, 2024, to restate beginning net position. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, 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 GAAS, 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, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP".

Dubuque, Iowa
January 28, 2026

Management's Discussion and Analysis

As management of the City of Ames (City), we offer the residents and other 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, 2025. 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 \$1,235,469,229 (*net position*). Of this amount, \$630,377,180 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 \$83,827,522, most of which was attributable to business-type activities, including \$54,078,620 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 \$83,621,858, an increase of \$790,324 in comparison with the prior year's balance. 14.48% of this amount (\$12,111,015) is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unrestricted fund balance (*the total of the committed, assigned, and unassigned components of fund balance*) for the General Fund was \$14,358,001, or 35.95% of total General Fund expenditures.
- The City's total long-term outstanding debt increased by \$11,207,907 during the current fiscal year.
- Within the City's business-type activities, revenues exceeded expenses by \$69,343,465. 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 \$14.800 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 details 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 29-31 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 32-35 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, 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 36-40 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 41-42 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 43-99 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 103-112 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 117-133 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 \$1,235,469,229 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.

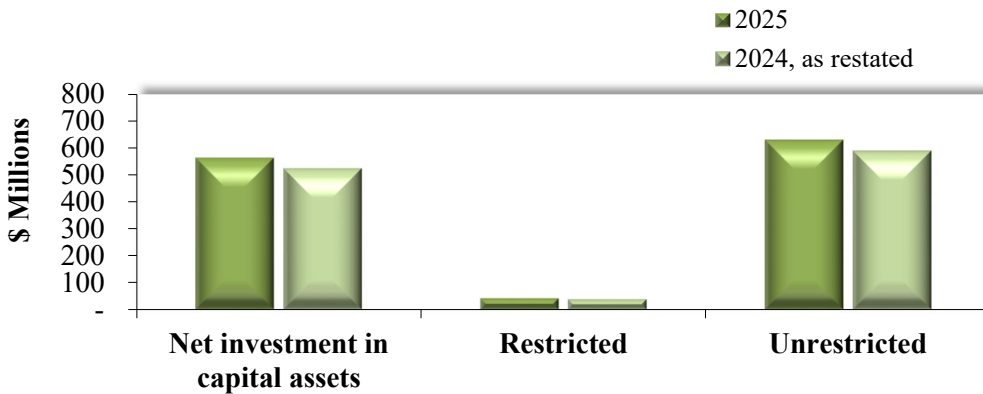
	Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2025	2024, as restated	2025	2024, as restated	2025	2024, as restated
Current and other assets	\$ 151,022,707	\$ 145,221,037	\$ 691,228,611	\$ 649,677,364	\$ 842,251,318	\$ 794,898,401
Net capital assets	246,686,028	226,814,563	532,284,662	504,185,827	778,970,690	731,000,390
Total assets	<u>397,708,735</u>	<u>372,035,600</u>	<u>1,223,513,273</u>	<u>1,153,863,191</u>	<u>1,621,222,008</u>	<u>1,525,898,791</u>
Deferred outflows of resources	8,715,001	9,165,546	22,876,612	30,052,629	31,591,613	39,218,175
Long-term liabilities outstanding	107,856,772	101,122,403	218,637,597	225,642,039	326,494,369	326,764,442
Other liabilities	10,879,554	8,796,762	35,982,355	35,645,885	46,861,909	44,442,647
Total liabilities	<u>118,736,326</u>	<u>109,919,165</u>	<u>254,619,952</u>	<u>261,287,924</u>	<u>373,356,278</u>	<u>371,207,089</u>
Deferred inflows of resources	39,456,936	37,535,564	4,531,178	4,732,606	43,988,114	42,268,170
Net position:						
Net investment in capital assets	189,320,394	175,545,873	373,859,626	348,355,842	563,180,020	523,901,715
Restricted	40,001,332	34,641,621	1,910,697	3,514,189	41,912,029	38,155,810
Unrestricted	18,908,748	23,558,923	611,468,432	566,025,259	630,377,180	589,584,182
Total net position	<u>\$ 248,230,474</u>	<u>\$ 233,746,417</u>	<u>\$ 987,238,755</u>	<u>\$ 917,895,290</u>	<u>\$ 1,235,469,229</u>	<u>\$ 1,151,641,707</u>

The largest portion of the City's net position (45.19%) 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.

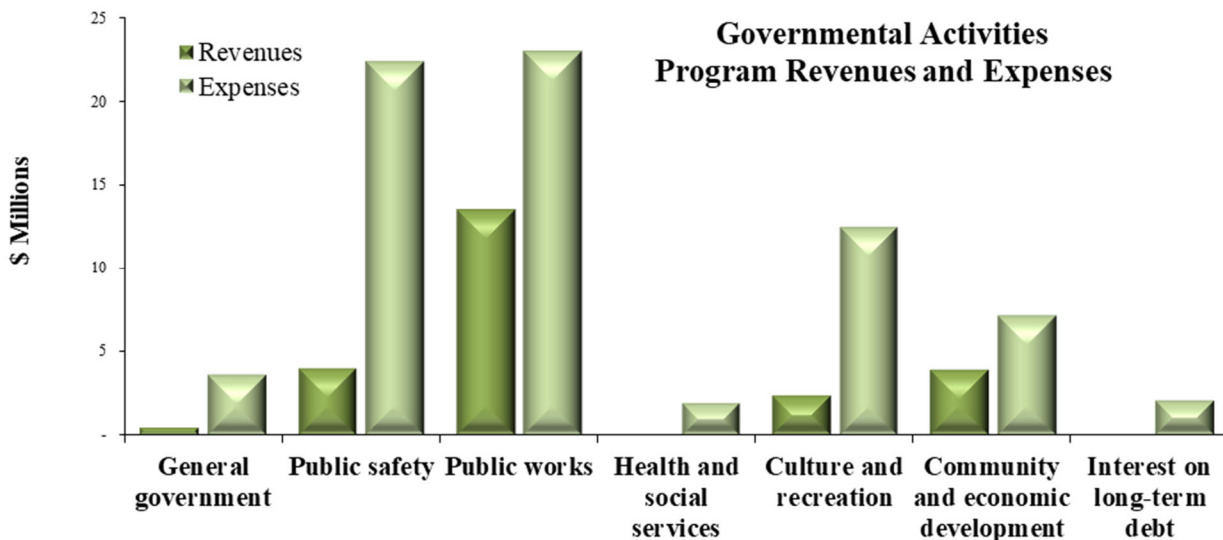
An additional portion of the City's net position (\$41,912,029 or 3.39%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$630,377,180 is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.

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, 2025 and 2024:



Governmental Activities. During the current fiscal year, net position for governmental activities increased \$14,484,057 for an ending balance of \$248,230,474. Taxes are the largest source of governmental revenue with property taxes of \$36,774,390 and local option sales taxes of \$11,838,478 in 2025.

Governmental activity expenses increased \$9,125,426 from 2024, or (14.34%). The following chart shows the expenses and related program revenues for the functions of governmental activities:

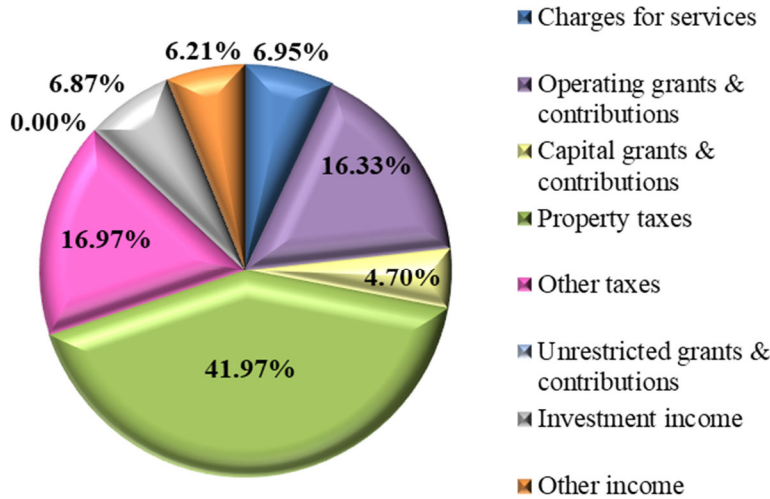


CITY OF AMES, IOWA
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
FOR THE YEAR ENDED JUNE 30, 2025

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

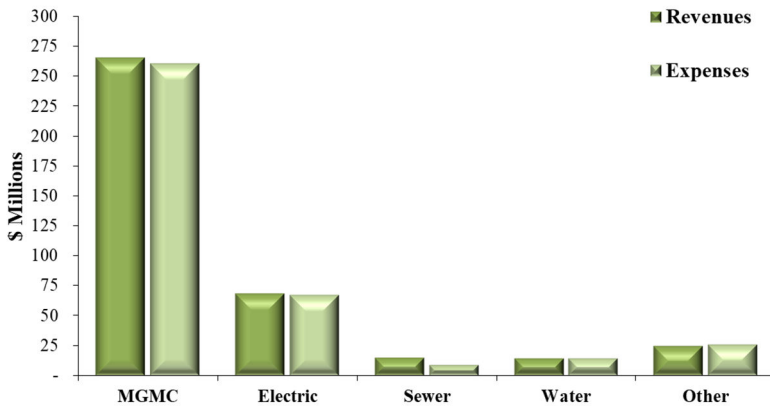
	Governmental Activities		Business-Type Activities		Total	
	2025	2024, restated	2025	2024, restated	2025	2024, restated
Revenues:						
Program revenues						
Charges for services	\$ 6,086,789	\$ 6,247,445	\$ 379,375,966	\$ 359,150,750	\$ 385,462,755	\$ 365,398,195
Operating grants & contributions	14,310,170	12,231,556	6,961,797	5,870,307	21,271,967	18,101,863
Capital grants & contributions	4,118,793	6,132,438	6,934,152	3,470,229	11,052,945	9,602,667
General revenues						
Property taxes	36,774,390	36,155,078	-	-	36,774,390	36,155,078
Other taxes	14,866,447	14,795,568	-	-	14,866,447	14,795,568
Unrestricted grants & contributions	-	42,236	-	-	-	42,236
Investment earnings	6,016,972	5,775,114	56,494,690	36,730,482	62,511,662	42,505,596
Other	5,442,810	577,894	1,506,203	1,365,433	6,949,013	1,943,327
Total revenues	87,616,371	81,957,329	451,272,808	406,587,201	538,889,179	488,544,530
Expenses:						
General government	3,625,698	3,678,591	-	-	3,625,698	3,678,591
Public safety	22,400,129	21,310,211	-	-	22,400,129	21,310,211
Public works	23,020,648	19,310,601	-	-	23,020,648	19,310,601
Health & social services	1,936,265	1,812,403	-	-	1,936,265	1,812,403
Culture & recreation	12,496,616	12,415,577	-	-	12,496,616	12,415,577
Community & economic development	7,176,726	3,489,478	-	-	7,176,726	3,489,478
Interest on long-term debt	2,096,841	1,610,636	-	-	2,096,841	1,610,636
Mary Greeley Medical Center	-	-	264,318,209	247,769,583	264,318,209	247,769,583
Electric	-	-	67,482,511	63,181,563	67,482,511	63,181,563
Sewer	-	-	9,196,492	8,237,076	9,196,492	8,237,076
Water	-	-	14,954,847	10,705,954	14,954,847	10,705,954
Airport	-	-	731,600	799,305	731,600	799,305
Parking	-	-	778,488	840,459	778,488	840,459
Transit	-	-	17,383,248	17,182,937	17,383,248	17,182,937
Stormwater	-	-	1,753,416	1,606,163	1,753,416	1,606,163
Ames/ISU Ice Arena	-	-	672,445	762,662	672,445	762,662
Homewood Golf Course	-	-	361,743	330,949	361,743	330,949
Resource Recovery	-	-	4,675,735	5,172,617	4,675,735	5,172,617
Total expenses	72,752,923	63,627,497	382,308,734	356,589,268	455,061,657	420,216,765
Increase in net position before transfers	14,863,448	18,329,832	68,964,074	49,997,933	83,827,522	68,327,765
Transfers	(379,391)	(2,278,212)	379,391	2,278,212	-	-
Increase in net position	14,484,057	16,051,620	69,343,465	52,276,145	83,827,522	68,327,765
Net position, beginning (as previously reported)	233,746,417	218,732,050	917,895,290	866,064,178	1,151,641,707	1,084,796,228
Net position, restatement	-	(1,037,253)	-	(445,033)	-	(1,482,286)
Net position, beginning (as restated)	233,746,417	217,694,797	917,895,290	865,619,145	1,151,641,707	1,083,313,942
Net position, ending	\$ 248,230,474	\$ 233,746,417	\$ 987,238,755	\$ 917,895,290	\$ 1,235,469,229	\$ 1,151,641,707

The following chart shows revenues by source for governmental activities:



Business-Type Activities. The net position for business-type activities increased by \$69,343,465, from 2024. A large portion of this increase is attributable to the hospital's restricted non-current assets on investments increasing by \$50,675,693. Also, plant and distribution system capital assets increased by \$18,711,021. Much of the increase, \$15,373,501, or 82.10%, was in the sewer fund for the nutrient reduction modifications.

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.

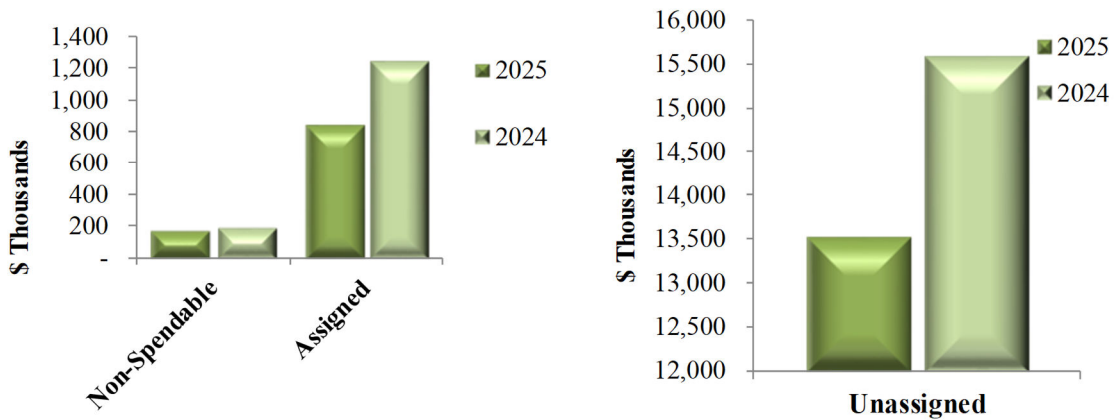
The City's governmental funds reported combined fund balances of \$83,621,858 at June 30, 2025, an increase of \$790,324 from the prior year. 14.48% of this amount (\$12,111,015) constitutes *unassigned fund balance*, which is available for spending at the City's discretion. The remainder of the fund balance is either *non-spendable*, *restricted*, *committed*, or *assigned* to indicate that it is 1) not in spendable form (\$394,919); 2) legally required to be maintained intact (\$2,132,565); 3) restricted for purposes (\$61,267,000); 4) committed for purposes (\$6,874,261); or 5) assigned for purposes (\$842,098). The 2024 and 2025 legislative sessions continued the sweeping property tax reforms adopted in 2023, permanently reshaping Iowa's municipal property tax framework. These changes significantly limit revenue growth for cities through levy restrictions, expanded exemptions, and the elimination of state backfill payments. The City's tax rate did decrease 1.04% from \$10.20 to \$10.09 due to the significant increase in assessed valuations on residential properties.

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 \$13,515,903, while total fund balance decreased by \$2,507,164 to \$14,538,675. The ending fund balance is 35.95% of the fiscal year expenditures, exceeding the City's goal of 25% of expenditures. The largest revenue impact was increased interest earnings and the unrealized gain on investments. The most significant operating expense reduction was a result of vacant positions in Law Enforcement. The ongoing capital projects that have been carried forward include Fire Station improvements and equipment, bike trail signage, the Park Maintenance Facility, Auditorium HVAC system, and other initiatives.

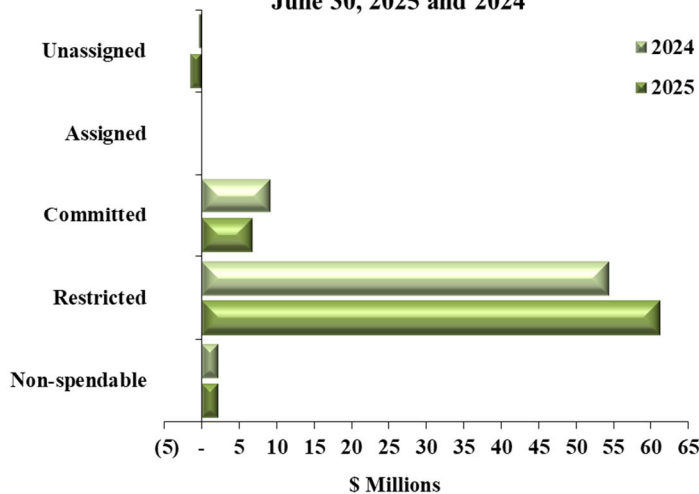
The Capital Projects Fund had an increase of \$6,376,920 in fund balance during the fiscal year, which put the overall fund balance at \$32,942,946. Some of the capital projects for the year included Traffic Intelligent Transportation system, Parks Fitch Indoor Aquatic Center (including a \$4,000,000 donation), Police's new Animal Control Shelter, as well as annual street maintenance and improvement. This increase in fund balance is mostly attributable to an increase in capital project funding from debt issuances of \$6 million, a large donation made for our Fitch Indoor Aquatic Center in the amount of \$4 million, and an increase of \$1.4 million fines from tax abatement agreements. The increases were partially offset by increased spending on the above mentioned capital projects.

The fund balance in the Debt Service Fund is \$3,834,328 at the end of the fiscal year, a decrease of \$36,381 from the prior year. This fund balance remained constant due to no large variance in debt payments from the prior fiscal year to the current fiscal year.

**Components of Fund Balance
 General Fund**



**Other Governmental Funds
 Components of Fund Balance
 June 30, 2025 and 2024**



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, 2025, totaled \$973,905,101, of which 61.42% (\$598,134,778) is unrestricted. This is a \$69,060,457, or 7.63%, increase in restated net position from last fiscal year's balance. The net position of the internal service funds is \$42,251,723, a \$2,531,542 increase in restated net position. Unrestricted net position accounts for \$29,232,536 (69.19%) of the total internal service fund net position balance.

Charges for services for the internal service funds increased 2.82% over the prior year. Cost of goods and services increased 6.78% due to capital additions reducing cost of goods & services in fleet.

General Fund Budgetary Highlights

Original Budget Compared to Final Budget. There were three amendments to the City's 2025 budget. The first amendment was approved in September 2024, primarily to reflect carryovers of capital project expenditures from the prior year. The second & third amendments were approved in April & May of 2025 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 2024 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, 2025, amounts to \$778,970,690 (net of accumulated depreciation and amortization), an increase of \$47,970,300 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.

Some of the major capital asset additions include:

- \$19.6 million in sanitary sewer improvements
- \$13 million in parks and recreation
- \$9.5 million in street network improvements
- \$3.5 million in water system improvements
- \$2.7 million in airport 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 60-61 of this report. The following shows capital assets, net of accumulated depreciation.

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 18,363,012	\$ 17,284,601	\$ 17,787,783	\$ 16,116,650	\$ 36,150,795	\$ 33,401,251
Other non-depreciable/non-amortizable assets	760,826	640,326	-	-	760,826	640,326
Depreciable/amortizable assets	193,800,780	193,512,103	468,995,431	454,404,226	662,796,211	647,916,329
Construction in progress	33,761,410	15,377,533	45,501,448	33,664,951	79,262,858	49,042,484
Total	<u>\$ 246,686,028</u>	<u>\$ 226,814,563</u>	<u>\$ 532,284,662</u>	<u>\$ 504,185,827</u>	<u>\$ 778,970,690</u>	<u>\$ 731,000,390</u>

Long-term Debt. At the end of the current fiscal year, the City had \$158,612,681 in outstanding bonded debt, as shown in the following chart. Of this amount, \$80,538,173 is debt backed by the full faith and credit of the government and \$78,074,508 is revenue bonds issued by proprietary funds.

CITY OF AMES, IOWA
MANAGEMENT’S DISCUSSION AND ANALYSIS (continued)
FOR THE YEAR ENDED JUNE 30, 2025

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
General obligation bonds, net	\$ 78,887,401	\$ 70,875,498	\$ 1,650,772	\$ 2,208,746	\$ 80,538,173	\$ 73,084,244
Revenue bonds	-	-	78,074,508	86,801,547	78,074,508	86,801,547
Loans payable	-	-	79,287,231	66,806,214	79,287,231	66,806,214
Total	<u>\$ 78,887,401</u>	<u>\$ 70,875,498</u>	<u>\$ 159,012,511</u>	<u>\$ 155,816,507</u>	<u>\$ 237,899,912</u>	<u>\$ 226,692,005</u>

The City's total debt increased by \$11,207,907 (4.94%) 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, 2023, related to the 2024-2025 fiscal year. The current debt limitation for the City is \$328,057,008. 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 84-92 of this report.

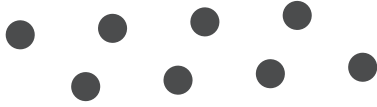
ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES

The following economic factors were considered in developing the fiscal year 2026 budget:

- Animal Sheltering and Control activity will have an increase of 1.45 FTEs in anticipation of a new, larger shelter in fiscal year 2025/2026.
- 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.
- No increase in the resource recovery utility per capita property tax subsidy and no increase in the per ton tipping fee to garbage haulers.
- Electric Utility user rate increased 1.5%, which is estimated to have a net impact on the median residential customer’s electric bill to be an additional \$1.20 per month. This will help fund the City Council’s plan to reduce carbon emissions by supporting wind power to our energy portfolio.
- A 2.08% increase in property tax rate from \$10.09 to \$10.30 per \$1,000 of taxable valuation. The increased rate was primarily due to the decrease in State revenue of \$298,500 from the prior year.
- A modest increase of 2.50% in the amount of the City's support for transit to continue existing service levels.
- Parks and Recreation will have the Fitch Family Indoor Aquatic Center opening, including two new FTEs: an Aquatics Coordinator and Principal Clerk to staff this new facility.
- Water utility user rates increase 3.5% to support operational needs and capital improvement projects planned for the coming years.
- Sanitary Sewer utility user rates increase 5.5% to pay for the operational and capital improvement costs scheduled in the City’s construction-in-progress.

Requests for Information. This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, 515 Clark Avenue, Ames, Iowa, 50010.

BASIC FINANCIAL STATEMENTS



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CITY OF AMES, IOWA
STATEMENT OF NET POSITION
JUNE 30, 2025

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 20,593,917	\$ 33,020,603	\$ 53,614,520	\$ 264,846
Investments	91,645,013	105,366,780	197,011,793	-
Taxes receivable	131,759	-	131,759	-
Special assessments receivable	191,112	-	191,112	-
Accrued interest receivable	371,593	658,257	1,029,850	-
Accounts receivable, net	655,737	43,760,877	44,416,614	-
Lease receivable	5,088	1,154,999	1,160,087	-
Pledges receivable, net	-	-	-	71,376
Intergovernmental receivable	6,902,015	3,025,607	9,927,622	-
Loans receivable	311	-	311	-
Internal balances	(9,241,891)	9,241,891	-	-
Inventories	326,219	12,452,791	12,779,010	-
Assets held for resale	602,425	-	602,425	-
Prepaid items	325,761	4,316,780	4,642,541	-
Restricted current assets:				
Cash and cash equivalents	-	1,544,599	1,544,599	-
Investments	-	353,471	353,471	-
Accrued interest receivable	-	12,627	12,627	-
Total current assets	112,509,059	214,909,282	327,418,341	336,222
Non-current assets:				
Investments	-	23,618,793	23,618,793	19,178,261
Succeeding year taxes receivable	37,684,403	-	37,684,403	-
Long-term special assessments receivable	374,246	-	374,246	-
Other assets	-	11,148,421	11,148,421	-
Lease receivable	454,999	1,577,331	2,032,330	-
Non-depreciable assets	52,885,248	63,289,231	116,174,479	-
Depreciable assets, net of accumulated depreciation & amortization	193,800,780	468,995,431	662,796,211	-
Restricted non-current assets:				
Long-term investments	-	439,974,784	439,974,784	-
Total non-current assets	285,199,676	1,008,603,991	1,293,803,667	19,178,261
Total assets	397,708,735	1,223,513,273	1,621,222,008	19,514,483
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	-	3,310,853	3,310,853	-
Deferred outflows related to OPEB	1,293,477	1,898,649	3,192,126	-
Deferred outflows related to pensions	7,421,524	17,667,110	25,088,634	-
Total deferred outflows of resources	\$ 8,715,001	\$ 22,876,612	\$ 31,591,613	\$ -

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

CITY OF AMES, IOWA
STATEMENT OF NET POSITION (continued)
JUNE 30, 2025

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 5,933,976	\$ 19,333,572	\$ 25,267,548	\$ 578,940
Accrued payroll	319,950	9,949,062	10,269,012	-
Accrued compensated absences	1,145,970	1,219,482	2,365,452	-
Accrued other post-employment benefits	416,705	469,653	886,358	-
Accrued interest payable	233,062	309,731	542,793	-
Retainage payable	1,395,770	2,498,196	3,893,966	-
Customer deposits	1,233,169	1,042,972	2,276,141	-
Intergovernmental payable	573,045	80,697	653,742	-
Claims payable	773,877	2,006,794	2,780,671	-
Loans payable	-	4,610,175	4,610,175	-
Lease liabilities	51,893	491,281	543,174	-
Subscription based IT asset liabilities	33,143	732,212	765,355	-
Bonds payable, net	10,119,635	7,918,316	18,037,951	-
Unearned revenue	-	291,678	291,678	-
Accrued landfill post-closure costs	-	13,918	13,918	-
Total current liabilities	22,230,195	50,967,739	73,197,934	578,940
Non-current liabilities:				
Accrued compensated absences	2,737,938	8,658,361	11,396,299	-
Accrued other post-employment benefits	2,242,352	6,216,839	8,459,191	-
Net pension liability	22,689,646	40,442,367	63,132,013	-
Loans payable	-	74,677,056	74,677,056	-
Bonds payable, net	68,767,766	71,806,964	140,574,730	-
Lease liabilities	-	175,153	175,153	-
Subscription based IT asset liabilities	68,429	1,614,007	1,682,436	-
Accrued landfill post-closure costs	-	61,466	61,466	-
Total non-current liabilities	96,506,131	203,652,213	300,158,344	-
Total liabilities	118,736,326	254,619,952	373,356,278	578,940
DEFERRED INFLOWS OF RESOURCES				
Succeeding year property taxes	37,684,403	-	37,684,403	-
Deferred charge on refunding	327,232	-	327,232	-
Deferred inflows related to leases	389,583	2,622,523	3,012,106	-
Deferred inflows related to OPEB	476,831	579,995	1,056,826	-
Deferred inflows related to pensions	578,887	1,328,660	1,907,547	-
Total deferred inflows of resources	39,456,936	4,531,178	43,988,114	-
NET POSITION				
Net investment in capital assets	189,320,394	373,859,626	563,180,020	-
Restricted:				
Expendable for:				
Debt service	5,091,335	1,910,697	7,002,032	-
Capital projects	18,819,515	-	18,819,515	-
Public safety	784,921	-	784,921	-
Library services	486,894	-	486,894	-
Aquatic center	165,905	-	165,905	-
Community welfare	4,820	-	4,820	-
Housing services	590,394	-	590,394	-
Economic development	2,094,964	-	2,094,964	-
Community betterment	9,830,019	-	9,830,019	-
Mary Greeley Medical Center	-	-	-	12,316,618
Non-expendable for:				
Perpetual care	1,132,565	-	1,132,565	-
Aquatic center	1,000,000	-	1,000,000	-
Bliss Cancer Endowment Fund	-	-	-	253,390
Unrestricted	18,908,748	611,468,432	630,377,180	6,365,535
Total net position	\$ 248,230,474	\$ 987,238,755	\$ 1,235,469,229	\$ 18,935,543

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, 2025

Functions / Programs:	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating	Capital	Primary Government			Component Unit
			Grants and Contributions	Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 3,625,698	\$ 195,737	\$ 318,933	\$ -	\$ (3,111,028)	\$ -	\$ (3,111,028)	\$ -
Public safety	22,400,129	3,922,328	78,628	-	(18,399,173)	-	(18,399,173)	-
Public works	23,020,648	44,651	9,659,944	3,918,793	(9,397,260)	-	(9,397,260)	-
Health and social services	1,936,265	-	24,198	-	(1,912,067)	-	(1,912,067)	-
Culture and recreation	12,496,616	1,912,073	284,560	200,000	(10,099,983)	-	(10,099,983)	-
Community and economic development	7,176,726	12,000	3,943,907	-	(3,220,819)	-	(3,220,819)	-
Interest	2,096,841	-	-	-	(2,096,841)	-	(2,096,841)	-
Total governmental activities	<u>72,752,923</u>	<u>6,086,789</u>	<u>14,310,170</u>	<u>4,118,793</u>	<u>(48,237,171)</u>	<u>-</u>	<u>(48,237,171)</u>	<u>-</u>
Business-type activities:								
Mary Greeley Medical Center	264,318,209	268,678,523	-	236,810	-	4,597,124	4,597,124	-
Electric	67,482,511	68,319,772	691,745	-	-	1,529,006	1,529,006	-
Sewer	9,196,492	12,227,805	49,636	3,185,119	-	6,266,068	6,266,068	-
Water	14,954,847	13,918,628	4,608	678,777	-	(352,834)	(352,834)	-
Airport	731,600	206,946	66,723	2,464,853	-	2,006,922	2,006,922	-
Parking	778,488	842,008	209	-	-	63,729	63,729	-
Transit	17,383,248	7,287,587	6,148,876	307,920	-	(3,638,865)	(3,638,865)	-
Stormwater	1,753,416	1,997,093	-	-	-	243,677	243,677	-
Ice arena	672,445	663,072	-	40,000	-	30,627	30,627	-
Golf course	361,743	571,018	-	20,673	-	229,948	229,948	-
Resource recovery	4,675,735	4,663,514	-	-	-	(12,221)	(12,221)	-
Total business-type activities	<u>382,308,734</u>	<u>379,375,966</u>	<u>6,961,797</u>	<u>6,934,152</u>	<u>-</u>	<u>10,963,181</u>	<u>10,963,181</u>	<u>-</u>
Total primary government	<u>\$ 455,061,657</u>	<u>\$ 385,462,755</u>	<u>\$ 21,271,967</u>	<u>\$ 11,052,945</u>	<u>(48,237,171)</u>	<u>10,963,181</u>	<u>(37,273,990)</u>	<u>-</u>
Component unit:								
Mary Greeley Medical Center Foundation	\$ 3,292,818	\$ -	\$ 2,041,388	\$ -				(1,251,430)
General revenues:								
Property taxes					36,774,390	-	36,774,390	-
Sales taxes					11,838,478	-	11,838,478	-
Hotel/motel taxes					3,027,969	-	3,027,969	-
Investment income					6,016,972	56,494,690	62,511,662	2,339,944
Other income (expense)					5,360,321	1,442,269	6,802,590	-
Gain (loss) on disposal of capital assets					82,489	63,934	146,423	-
Transfers					(379,391)	379,391	-	-
Total general revenues and transfers					<u>62,721,228</u>	<u>58,380,284</u>	<u>121,101,512</u>	<u>2,339,944</u>
Change in net position					14,484,057	69,343,465	83,827,522	1,088,514
Net Position-beginning of year, as previously presented					234,783,670	918,340,323	1,153,123,993	17,847,029
Restatement (see note 4.24 on page 99)					(1,037,253)	(445,033)	(1,482,286)	-
Net position, beginning of year, as restated					<u>233,746,417</u>	<u>917,895,290</u>	<u>1,151,641,707</u>	<u>17,847,029</u>
Net position, ending					<u>\$ 248,230,474</u>	<u>\$ 987,238,755</u>	<u>\$ 1,235,469,229</u>	<u>\$ 18,935,543</u>

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

CITY OF AMES, IOWA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	General	Capital Projects	Debt Service	Total Nonmajor Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 3,348,827	\$ 4,875,592	\$ 877,665	\$ 5,826,419	\$ 14,928,503
Investments	8,883,428	31,161,718	2,874,372	26,582,822	69,502,340
Taxes receivable	88,929	-	42,830	-	131,759
Special assessments receivable - current	-	191,112	-	-	191,112
Accrued interest receivable	133,767	114,792	13,895	14,052	276,506
Accounts receivable, net	378,805	-	-	1,344	380,149
Intergovernmental receivable	1,514,041	2,668,380	25,566	2,634,030	6,842,017
Loans receivable - current	-	-	-	311	311
Lease receivable - current	5,088	-	-	-	5,088
Due from other funds	2,070,018	49,900	-	1,554,878	3,674,796
Inventories	23,792	-	-	210,967	234,759
Property held for resale	-	-	-	602,425	602,425
Prepaid items	156,882	-	-	3,278	160,160
Succeeding year taxes receivable	25,503,450	-	12,180,953	-	37,684,403
Lease receivable - long term	454,999	-	-	-	454,999
Special assessments receivable - long term	-	374,246	-	-	374,246
Total assets	<u>\$ 42,562,026</u>	<u>\$ 39,435,740</u>	<u>\$ 16,015,281</u>	<u>\$ 37,430,526</u>	<u>\$ 135,443,573</u>
LIABILITIES					
Accounts payable	\$ 445,447	\$ 2,752,987	\$ -	\$ 1,729,329	\$ 4,927,763
Accrued payroll	173,107	16,100	-	109,819	299,026
Retainage payable	250,136	915,728	-	229,906	1,395,770
Customer deposits	23,041	-	-	1,210,128	1,233,169
Intergovernmental payable	509,530	-	-	10,686	520,216
Due to other funds	668,490	542,901	-	1,626,139	2,837,530
Total liabilities	<u>2,069,751</u>	<u>4,227,716</u>	<u>-</u>	<u>4,916,007</u>	<u>11,213,474</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue:					
Property taxes	25,503,450	-	12,180,953	-	37,684,403
Special assessments	-	565,358	-	-	565,358
Charges for services	23,784	-	-	-	23,784
Leases	389,583	-	-	-	389,583
Licenses and permits	36,783	-	-	-	36,783
Grants	-	1,699,720	-	208,610	1,908,330
Total deferred inflows of resources	<u>25,953,600</u>	<u>2,265,078</u>	<u>12,180,953</u>	<u>208,610</u>	<u>40,608,241</u>
FUND BALANCES					
Non-spendable	180,674	-	-	2,346,810	2,527,484
Restricted	-	32,308,109	3,834,328	25,124,563	61,267,000
Committed	-	2,039,725	-	4,834,536	6,874,261
Assigned	842,098	-	-	-	842,098
Unassigned	13,515,903	(1,404,888)	-	-	12,111,015
Total fund balances	<u>14,538,675</u>	<u>32,942,946</u>	<u>3,834,328</u>	<u>32,305,909</u>	<u>83,621,858</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 42,562,026</u>	<u>\$ 39,435,740</u>	<u>\$ 16,015,281</u>	<u>\$ 37,430,526</u>	<u>\$ 135,443,573</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, 2025

Amounts reported for governmental activities in the statement of net position (pages 29-30) are different because:

Fund balance - total governmental funds (page 32)	\$ 83,621,858
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	233,666,842
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	565,358
Other revenues	1,968,896
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	7,255,012
Deferred inflows of resources	(578,044)
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	1,200,821
Deferred inflows of resources	(442,436)
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.	28,918,069
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	(72,678,514)
Interest payable on general obligation bonds	(233,062)
Deferred charges on general obligation bonds refunded	(327,232)
Unamortized premiums on the issuance of general obligation bonds	(6,208,887)
Lease liabilities on lease assets	(51,893)
Subscription liabilities on subscription assets	(101,572)
Accrued compensated absences	(3,649,900)
Total other post-employment benefits payable	(2,457,530)
Net pension liability	<u>(22,237,312)</u>
Net position of governmental activities	<u>\$ 248,230,474</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, 2025

	General	Capital Projects	Debt Service	Total Nonmajor Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 24,742,053	\$ -	\$ 11,684,387	\$ 15,214,397	\$ 51,640,837
Special assessments	-	303,875	-	-	303,875
Licenses and permits	1,282,702	-	-	-	1,282,702
Intergovernmental	549,374	3,827,930	318,933	12,033,887	16,730,124
Charges for services	4,640,904	-	-	23,305	4,664,209
Fines and forfeitures	26,878	1,424,779	-	24,161	1,475,818
Investment income	2,117,098	1,786,531	418,626	203,644	4,525,899
Interest revenue	23,118	-	-	-	23,118
Miscellaneous	202,278	4,003,300	-	1,161,671	5,367,249
Total revenues	<u>33,584,405</u>	<u>11,346,415</u>	<u>12,421,946</u>	<u>28,661,065</u>	<u>86,013,831</u>
EXPENDITURES					
Current:					
General government	3,423,550	196,022	-	19,058	3,638,630
Public safety	22,358,060	-	-	206,819	22,564,879
Public works	1,081,708	-	-	7,383,024	8,464,732
Health and social services	12,000	-	-	1,924,218	1,936,218
Culture and recreation	9,879,949	-	-	794,329	10,674,278
Community and economic development	1,062,642	1,038	-	6,135,751	7,199,431
Debt service:					
Principal	-	-	9,818,693	-	9,818,693
Interest and fiscal charges	-	-	3,018,887	-	3,018,887
Capital outlay	2,120,948	26,560,437	-	7,579,913	36,261,298
Total expenditures	<u>39,938,857</u>	<u>26,757,497</u>	<u>12,837,580</u>	<u>24,043,112</u>	<u>103,577,046</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,354,452)</u>	<u>(15,411,082)</u>	<u>(415,634)</u>	<u>4,617,953</u>	<u>(17,563,215)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	9,806,215	3,100,000	379,253	373,200	13,658,668
Transfers out	(5,958,927)	(44,928)	-	(8,034,204)	(14,038,059)
General obligation bonds issued	-	17,495,000	-	-	17,495,000
Premium on general obligation bonds	-	1,237,930	-	-	1,237,930
Total other financing sources (uses)	<u>3,847,288</u>	<u>21,788,002</u>	<u>379,253</u>	<u>(7,661,004)</u>	<u>18,353,539</u>
Net change in fund balances	(2,507,164)	6,376,920	(36,381)	(3,043,051)	790,324
Fund Balances-beginning of year, as previously presented	17,045,839	26,566,026	3,870,709	35,348,960	82,831,534
Adjustments	-	-	-	-	-
Fund balances, beginning, as restated	<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>
Fund balances, ending	<u>\$ 14,538,675</u>	<u>\$ 32,942,946</u>	<u>\$ 3,834,328</u>	<u>\$ 32,305,909</u>	<u>\$ 83,621,858</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, 2025

Amounts reported for governmental activities in the statement of activities (page 31) are different because:

Net changes in fund balances - total governmental funds (page 34)	\$ 790,324
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Special assessments	(269,394)
Other revenues	(87,921)
Contributed capital assets do not provide current financial resources.	377,122
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	31,061,795
Depreciation/amortization expense	(12,585,467)
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	(1,237,930)
Amortization of bond premiums	902,334
Amortization of deferred charges on refunding debt	46,747
Proceeds from issuance of bonds	(17,495,000)
Principal payments	9,818,693
Interest payments	(27,035)
The change in deferred outflows of resources and deferred inflows of resources is not recorded in the governmental funds.	(455,541)
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	(14,539)
Decrease in accrued other post-employment benefits	141,272
Decrease in net pension liability	1,270,064
The internal service funds are used by management to charge the costs of fleet management, information services, risk management, and health insurance to individual funds. The net revenue of certain activities of internal service funds is reported with both governmental and business-type activities.	<u>2,248,533</u>
Changes in net position of governmental activities	<u>\$ 14,484,057</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, 2025

	Business-Type Activities						Governmental
	Mary Greeley Medical Center	Electric	Sewer	Water	Other Enterprise Funds	Totals	Internal Service Funds
ASSETS							
Current assets:							
Cash and cash equivalents	\$ 13,478,835	\$ 916,710	\$ 4,695,568	\$ 4,299,295	\$ 8,828,462	\$ 32,218,870	\$ 6,467,147
Investments	-	34,660,779	17,162,730	18,003,409	32,246,248	102,073,166	25,436,287
Accrued interest receivable	-	348,596	78,821	76,957	139,492	643,866	109,478
Accounts receivable, net	31,892,788	7,978,934	1,300,922	1,719,201	855,408	43,747,253	289,212
Lease receivable	1,046,124	-	-	41,022	67,853	1,154,999	-
Due from other funds	-	138,516	191,463	195,913	170,536	696,428	1,117,978
Intergovernmental receivable	-	401,752	398,473	8,980	2,216,402	3,025,607	59,998
Inventories	5,577,957	5,943,486	-	542,698	388,650	12,452,791	91,460
Prepaid items	4,167,527	98,809	3,285	14,840	32,319	4,316,780	165,601
Restricted current assets:							
Cash and cash equivalents	-	1,030,506	147,968	366,125	-	1,544,599	-
Investments	353,471	-	-	-	-	353,471	-
Interest receivable	12,627	-	-	-	-	12,627	-
Total current assets	56,529,329	51,518,088	23,979,230	25,268,440	44,945,370	202,240,457	33,737,161
Non-current assets:							
Investments	-	23,618,793	-	-	-	23,618,793	-
Other assets	11,148,421	-	-	-	-	11,148,421	-
Lease receivable	251,069	-	-	197,345	1,128,917	1,577,331	-
Capital assets:							
Land	5,339,406	2,223,783	3,251,614	3,178,665	3,794,315	17,787,783	-
Land improvements	2,821,436	-	-	-	27,531,282	30,352,718	-
Plant and distribution systems	-	240,117,946	121,071,297	138,536,386	-	499,725,629	-
Buildings	283,184,903	-	-	-	45,940,202	329,125,105	1,165,682
Equipment	127,214,808	-	-	-	48,268,653	175,483,461	27,210,136
Lease assets	2,652,474	-	-	-	52,316	2,704,790	-
Subscription based IT assets	4,137,229	388,835	-	27,968	16,975	4,571,007	-
Construction in progress	1,143,324	6,886,126	24,327,641	9,230,317	3,914,040	45,501,448	-
Less acc. depreciation/amortization	(246,505,571)	(152,822,845)	(65,221,656)	(36,073,886)	(72,343,321)	(572,967,279)	(15,356,631)
Restricted non-current assets:							
Investments	439,974,784	-	-	-	-	439,974,784	-
Total non-current assets	631,362,283	120,412,638	83,428,896	115,096,795	58,303,379	1,008,603,991	13,019,187
Total assets	687,891,612	171,930,726	107,408,126	140,365,235	103,248,749	1,210,844,448	46,756,348
DEFERRED OUTFLOWS OF RESOURCES							
Deferred charge on refunding	3,310,853	-	-	-	-	3,310,853	-
Deferred outflows related to OPEB	731,769	448,182	101,493	132,598	479,172	1,893,214	98,091
Deferred outflows related to pensions	15,081,743	714,735	174,321	278,147	1,402,475	17,651,421	182,201
	19,124,365	1,162,917	275,814	410,745	1,881,647	22,855,488	280,292

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, 2025

	Business-Type Activities						Governmental
	Mary Greeley Medical Center	Electric	Sewer	Water	Other Enterprise Funds	Totals	Internal Service Funds
LIABILITIES							
Current liabilities:							
Accounts payable	\$ 7,914,013	\$ 5,258,581	\$ 3,888,639	\$ 1,326,202	\$ 917,095	\$ 19,304,530	\$ 1,035,255
Accrued payroll	9,449,274	175,832	15,051	30,998	277,907	9,949,062	20,924
Accrued compensated absences	594,412	213,852	34,433	68,748	307,063	1,218,508	68,898
Accrued other post-employment benefits	366,871	37,656	7,551	11,187	45,818	469,083	7,687
Due to other funds	-	799,521	560,120	547,287	611,046	2,517,974	133,698
Claims payable	226,547	-	-	-	-	226,547	2,554,124
Retainage payable	661,498	330,123	877,267	454,945	174,363	2,498,196	-
Customer deposits	-	1,042,972	-	-	-	1,042,972	-
Accrued interest	105,705	55,894	65,656	81,089	1,387	309,731	-
Loans payable	-	-	1,021,175	3,589,000	-	4,610,175	-
Intergovernmental payable	-	-	25	-	80,672	80,697	52,829
Accrued landfill post-closure costs	-	-	-	-	13,918	13,918	-
Lease liabilities	484,022	-	-	-	7,259	491,281	-
Subscription based IT asset liabilities	618,784	105,921	-	4,590	2,917	732,212	-
Bonds payable, net	6,484,932	1,003,623	319,570	63,417	46,774	7,918,316	-
Unearned revenue	-	-	188,742	102,936	-	291,678	-
Total current liabilities	26,906,058	9,023,975	6,978,229	6,280,399	2,486,219	51,674,880	3,873,415
Non-current liabilities:							
Accrued compensated absences	6,825,643	668,450	145,708	211,836	795,985	8,647,622	176,823
Accrued other post-employment benefits	4,035,578	870,985	212,094	263,287	826,641	6,208,585	202,664
Net pension liability	33,419,164	1,941,593	473,547	755,593	3,809,848	40,399,745	494,956
Loans payable	-	-	30,191,079	44,485,977	-	74,677,056	-
Accrued landfill post-closure costs	-	-	-	-	61,466	61,466	-
Lease liabilities	175,153	-	-	-	-	175,153	-
Subscription based IT asset liabilities	1,604,424	1	-	9,582	-	1,614,007	-
Bonds payable, net	69,597,185	1,090,288	464,260	144,414	510,817	71,806,964	-
Total non-current liabilities	115,657,147	4,571,317	31,486,688	45,870,689	6,004,757	203,590,598	874,443
Total liabilities	142,563,205	13,595,292	38,464,917	52,151,088	8,490,976	255,265,478	4,747,858
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows related to leases	1,262,242	-	-	210,371	1,149,910	2,622,523	-
Deferred inflows related to OPEB	169,740	160,148	36,777	48,753	162,835	578,253	36,137
Deferred inflows related to pensions	1,315,566	3,620	883	1,409	7,103	1,328,581	922
	2,747,548	163,768	37,660	260,533	1,319,848	4,529,357	37,059
NET POSITION							
Net investment in capital assets	104,026,335	94,263,889	50,555,545	68,581,525	56,432,332	373,859,626	13,019,187
Restricted for debt service	366,098	1,030,506	147,968	366,125	-	1,910,697	-
Unrestricted	457,312,791	64,040,188	18,477,850	19,416,709	38,887,240	598,134,778	29,232,536
Total net position	\$ 561,705,224	\$ 159,334,583	\$ 69,181,363	\$ 88,364,359	\$ 95,319,572	973,905,101	\$ 42,251,723
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						13,333,654	
Net position of business-type activities						\$ 987,238,755	

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, 2025

	Business-Type Activities					Governmental Activities	
	Mary Greeley Medical Center	Electric	Sewer	Water	Other Enterprise Funds	Totals	Internal Service Funds
Operating revenues:							
Charges for services	\$ 268,678,523	\$ 68,319,772	\$ 12,227,805	\$ 13,918,628	\$ 16,231,239	\$ 379,375,967	\$ 25,312,184
Operating expenses:							
Cost of goods and services	197,926,899	58,410,233	6,156,539	7,842,092	19,262,578	289,598,341	22,567,439
Administration	40,460,445	2,954,729	643,311	643,310	2,872,729	47,574,524	-
Depreciation	18,465,945	6,205,216	1,948,520	2,783,385	4,182,906	33,585,972	1,780,918
Total operating expenses	256,853,289	67,570,178	8,748,370	11,268,787	26,318,213	370,758,837	24,348,357
Operating income (loss)	11,825,234	749,594	3,479,435	2,649,841	(10,086,974)	8,617,130	963,827
Non-operating revenues:							
Intergovernmental	-	651,287	48,303	-	6,159,948	6,859,538	-
Reimbursements	-	40,458	1,333	4,608	54,185	100,584	-
Investment revenue	49,417,590	2,906,654	1,058,680	1,191,901	1,919,865	56,494,690	1,467,955
Interest revenue (expense)	(3,464,920)	(5,196)	(497,423)	(1,018,535)	(5,702)	(4,991,776)	(4,316)
Gain (loss) on disposal of capital assets	63,906	28	-	(2,724,565)	(103,844)	(2,764,475)	86,805
Miscellaneous	(4,000,000)	228,999	296,210	769,486	136,528	(2,568,777)	17,271
Total non-operating revenues	42,016,576	3,822,230	907,103	(1,777,105)	8,160,980	53,129,784	1,567,715
Income (loss) before capital contributions and transfers	53,841,810	4,571,824	4,386,538	872,736	(1,925,994)	61,746,914	2,531,542
Capital contributions	236,810	-	3,185,119	678,777	2,833,446	6,934,152	-
Transfers in	-	-	-	-	2,808,927	2,808,927	-
Transfers out	-	(2,420,784)	-	(761)	(7,991)	(2,429,536)	-
Change in net position	54,078,620	2,151,040	7,571,657	1,550,752	3,708,388	69,060,457	2,531,542
Net position, beginning as previously presented	507,626,604	157,337,078	61,630,133	86,862,637	91,833,226	905,289,678	39,770,118
Restatements	-	(153,535)	(20,427)	(49,030)	(222,042)	(445,034)	(49,937)
Net position-beginning of year, as restated	507,626,604	157,183,543	61,609,706	86,813,607	91,611,184	904,844,644	39,720,181
Net position, ending	\$ 561,705,224	\$ 159,334,583	\$ 69,181,363	\$ 88,364,359	\$ 95,319,572	973,905,101	\$ 42,251,723
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds						283,008	
Change in net position of business-type activities						\$ 69,343,465	

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, 2025

	Business-Type Activities					Governmental Activities	
	Mary Greeley Medical Center	Electric	Sewer	Water	Other Enterprise Funds	Totals	Internal Service Funds
	CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	\$ 276,572,208	\$ 68,160,487	\$ 11,537,714	\$ 14,400,576	\$ 16,350,880	\$ 387,021,865	\$ 24,401,869
Other receipts	2,580,514	269,457	297,543	774,094	-	3,921,608	-
Payments to suppliers	(125,928,652)	(44,516,136)	(2,409,587)	(2,411,685)	(6,784,727)	(182,050,787)	(18,084,911)
Payments to employees	(121,561,027)	(12,158,719)	(2,421,664)	(3,605,705)	(13,981,406)	(153,728,521)	(2,446,032)
Payments to other funds for services provided	-	(2,919,779)	(2,941,377)	(1,453,594)	(2,151,160)	(9,465,910)	(1,036,254)
Net cash provided by (used for) operating activities	31,663,043	8,835,310	4,062,629	7,703,686	(6,566,413)	45,698,255	2,834,672
CASH FLOW FROM NON-CAPITAL FINANCING ACTIVITIES							
Operating grants	-	651,287	48,303	-	6,159,948	6,859,538	-
Reimbursements	-	-	-	-	54,185	54,185	-
Miscellaneous income	-	-	-	-	136,526	136,526	17,271
Transfers in	-	-	-	-	2,808,927	2,808,927	-
Transfers out	-	(2,420,784)	-	(761)	(7,991)	(2,429,536)	-
Net cash provided by (used for) non-capital financing activities	-	(1,769,497)	48,303	(761)	9,151,595	7,429,640	17,271
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Acquisition and construction of capital assets	(34,239,944)	(6,348,751)	(15,860,261)	(2,876,898)	(4,262,212)	(63,588,066)	(2,921,883)
Capital grants	4,000,000	-	-	-	-	4,000,000	(4,316)
Proceeds from the sale of capital assets	286,662	28	-	-	-	286,690	114,775
Principal paid on capital debt	(9,072,391)	(910,500)	(283,609)	(54,425)	(152,773)	(10,473,698)	-
Interest paid on capital debt	(2,891,389)	(74,778)	(39,143)	(11,893)	(23,383)	(3,040,586)	-
Proceeds from loans	-	-	16,090,677	812,291	-	16,902,968	-
Principal paid on loans	-	-	(1,019,022)	(3,402,931)	-	(4,421,953)	-
Interest paid on loans	-	-	(455,180)	(1,018,632)	-	(1,473,812)	-
Interest paid on leases	-	(5,284)	-	(539)	(641)	(6,464)	-
Capital contributions	236,810	-	-	92,244	2,740,073	3,069,127	-
Net cash (used for) capital and related financing activities	(41,680,252)	(7,339,285)	(1,566,538)	(6,460,783)	(1,698,936)	(58,745,794)	(2,811,424)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of investments	(305,923,439)	(59,147,567)	(18,665,465)	(19,579,750)	(35,069,665)	(438,385,886)	(27,663,441)
Proceeds from sale of investments	254,535,197	56,294,232	15,970,672	17,474,344	32,776,151	377,050,596	26,108,049
Other liabilities	15,443,028	16,412	-	-	-	15,459,440	-
Interest on investments	49,530,526	2,390,667	1,049,320	1,194,186	1,925,365	56,090,064	1,471,087
Net cash provided by (used for) investing activities	13,585,312	(446,256)	(1,645,473)	(911,220)	(368,149)	10,214,214	(84,305)
Net increase (decrease) in cash and cash equivalents	3,568,103	(719,728)	898,921	330,922	518,097	4,596,315	(43,786)
Cash and cash equivalents, beginning	9,910,732	2,666,944	3,944,615	4,334,498	8,310,365	29,167,154	6,510,933
Cash and cash equivalents, ending	13,478,835	1,947,216	4,843,536	4,665,420	8,828,462	33,763,469	6,467,147

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, 2025

	Business-Type Activities						Governmental
	Mary Greeley	Electric	Sewer	Water	Other	Totals	Internal
	Medical Center				Enterprise Funds		Service Funds
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:							
Operating income (loss)	\$ 11,825,234	\$ 749,594	\$ 3,479,435	\$ 2,649,841	\$ (10,086,974)	\$ 8,617,130	\$ 963,827
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:							
Depreciation expense	18,465,945	6,205,216	1,948,520	2,783,385	4,182,906	33,585,972	1,780,918
Change in accounts receivable	11,820,839	(344,535)	(126,145)	225,438	(159,576)	11,416,021	(171,904)
Change in lease receivable	154,286	-	-	39,254	61,930	255,470	-
Change in due from other funds	-	(5,756)	(91,187)	356,046	(31,110)	227,993	(717,177)
Change in intergovernmental receivable	-	189,424	(153,298)	(2,251)	326,733	360,608	(21,234)
Change in inventories	(430,589)	(381,630)	-	4,972	18,481	(788,766)	9,747
Change in prepaid items	(50,106)	(22,631)	(660)	(10,839)	79,625	(4,611)	(15,545)
Change in deferred outflows of resources	5,938,571	114,045	62,346	17,212	734,532	6,866,706	130,486
Change in accounts payable	(4,435,483)	1,528,511	(469,634)	925,068	(524,537)	(2,976,075)	656,030
Change in accrued payroll	(897,985)	16,567	4,487	2,472	49,442	(825,017)	2,820
Change in accrued compensated absences	-	87,938	34,187	24,239	104,550	250,914	35,404
Change in due to other funds	-	210,706	(442,362)	(97,163)	286,101	(42,718)	78,017
Change in other long term liabilities	(700,109)	-	-	-	-	(700,109)	432,691
Change in customer deposits	-	1,582	-	-	-	1,582	-
Change in estimated net settlements due to third-party payors	(4,500)	-	-	-	-	(4,500)	-
Change in intergovernmental payable	-	(118,347)	(10,172)	(58,985)	56,269	(131,235)	20,400
Change in accrued landfill post-closure costs	-	-	-	-	(10,129)	(10,129)	-
Change in unearned revenue	-	-	(319,461)	(136,539)	-	(456,000)	-
Change in post-employment benefits	(341,212)	(50,684)	(10,163)	(15,058)	(61,668)	(478,785)	(10,346)
Change in pension liability	(9,652,001)	287,560	(160,673)	234,768	(1,625,208)	(10,915,553)	(336,335)
Change in non-operating revenue	-	269,457	297,543	774,094	-	1,341,094	-
Change in deferred inflows of resources	(29,847)	98,293	19,866	(12,268)	32,220	108,264	(3,127)
Total adjustments	19,837,809	8,085,716	583,194	5,053,845	3,520,561	37,081,126	1,870,845
Net cash provided by (used for) operating activities	\$ 31,663,043	\$ 8,835,310	\$ 4,062,629	\$ 7,703,686	\$ (6,566,413)	\$ 45,698,255	\$ 2,834,672
Schedule of non-cash capital and related financing activities:							
Financing arrangements of capital assets	\$ (2,322,454)	\$ -	\$ -	\$ -	\$ -	\$ (2,322,454)	\$ -
Acquisition of capital assets through leases and SBITA	2,322,454	-	-	-	-	2,322,454	-
Acquisition of capital assets through retainage payable	(661,498)	(330,123)	(877,267)	(454,945)	(174,363)	(2,498,196)	-
Capital asset contributions	-	-	3,185,119	586,533	93,373	3,865,025	-

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, 2025

	Custodial Fund
ASSETS	
Current assets:	
Intergovernmental receivable	\$ 5,157
Total current assets	<u>5,157</u>
 LIABILITIES	
Current liabilities:	
Intergovernmental payable	5,157
Total current liabilities	<u>5,157</u>
 NET POSITION	
Restricted for:	
Unrestricted	<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, 2025

	Custodial Fund
Additions	
Contributions:	
Private contributions	\$ 661,213
Total additions	<u>661,213</u>
Deductions	
Benefits	170,404
Payroll	490,597
Recruitment	172
Supplies	40
Total deductions	<u>661,213</u>
Net increase (decrease) in fiduciary net position	-
Net position - beginning	<u>-</u>
Net position - ending	<u>\$ -</u>

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, 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, 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, Right to Use leases, and Subscription Assets

Capital assets are tangible and intangible assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets, except for infrastructure assets, right to use leases, and subscription assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. For right-to-use lease assets and subscription assets the City defines as a present value of more than \$50,000, and an estimated useful life in excess of one year.

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

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

Capital asset classes	Estimated useful lives (years)
General Infrastructure	15 – 50
Buildings	25 – 45
Improvements	20 – 40
Machinery and Equipment	03 – 50
Plant and Distribution System	25 - 50

Right-to-use lease equipment and subscription assets are amortized over the life of the associated contract.

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 they are 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

For government-wide reporting as well as in proprietary funds, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

- *Net investment in capital assets* consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement to those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- *Restricted* net position consists of restricted assets reduced by certain liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.
- *Unrestricted* net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows or resources that do not meet the definition of the two preceding categories.

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. 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 is applied.

Fund balance

In governmental fund types, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called “fund balance.” The City’s governmental funds report the following categories of fund balance, based on the nature of any limitations requiring the use of resources for specific purposes.

- *Nonspendable* fund balance represents amounts that are either not in a spendable form or are legally or contractually required to remain intact.
- *Restricted* fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers such as grantors or enabling federal, state, or local legislation. Restrictions may be changed or lifted only with the consent of the resource providers.
- *Committed* fund balance represents amounts that can be used only the specific purposes determined by the adoption of an ordinance committing fund balance for a specified purpose by the City’s Council prior to the end of the fiscal year. Once adopted, the limitation imposed by the ordinance remains in place until the resources have been spent for the specified purpose or the Council adopts another ordinance to remove or revise the limitation.
- *Assigned* fund balance represents amounts that are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The Council has by resolution authorized the finance director to assign fund balance. The 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.
- *Unassigned* fund balance represents the residual amount for the General Fund that is not contained in the other classifications. The General Fund is the only fund that reports a positive unassigned fund balance. Additionally, and deficit fund balance within the other governmental fund types is reported as unassigned.

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.

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, 2025 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 is recorded when each of the following have occurred: the leave is attributable to services already rendered, the leave accumulates and carries forward from one reporting period to the next, and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The compensated absences liability has been computed based on pay in effect at June 30, 2025.

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 - 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 \$233,666,842 are as follows:

Land	\$ 18,363,012
Public art collection	760,826
Construction in progress	33,761,410
Buildings	34,737,185
Less: accumulated depreciation	(14,444,449)
Lease assets	169,167
Less: amortization	(118,572)
Subscription-based IT assets	200,819
Less: amortization	(99,247)
Equipment	11,500,155
Less: accumulated depreciation	(7,634,117)
Infrastructure	341,978,425
Less: accumulated depreciation	<u>(185,507,772)</u>
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net position in governmental activities</i>	<u>\$ 233,666,842</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 \$28,918,069 are as follows:

Net position of the internal service funds	\$ 42,251,723
Less: Internal payable representing charges in excess of cost to business-type activities - prior years	(13,050,645)
Less: Internal payable representing charges in excess of cost to business-type activities - current year	(283,009)
	<u>\$ 28,918,069</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 \$2,248,533 are as follows:

Change in net position of the internal service funds	\$ 2,531,542
Less: gain from charges to business-type activities	<u>(283,009)</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>\$ 2,248,533</u>

NOTE 3 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

3.1 Violations of legal or contractual provisions

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, 2025, 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, 2025

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

Investment Type	Fair Value	Maturity
U.S. Agency coupon securities	\$ 122,758,418	07/14/25-03/28/30
U.S. Treasury obligations	94,897,868	07/03/25-05/31/28
Commercial paper	2,974,302	8/25/25-09/22/25
Mutual funds	440,328,253	n/a
	\$ 660,958,841	

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, 2025, compared to June 30, 2024.

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.

CITY OF AMES, IOWA
 NOTES TO THE FINANCIAL STATEMENTS (continued)
 JUNE 30, 2025

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

Investment Type	Fair Value	Remaining Maturity			
		12 Months or Less	13 - 24 Months	25-60 Months	More Than 60 Months
U.S. Agency coupon securities	\$ 122,758,418	\$ 53,314,527	\$ 50,670,942	\$ 18,772,949	\$ -
U.S. Treasury obligations	94,897,868	45,534,064	33,181,781	16,182,023	-
Commercial paper	2,974,302	2,974,302	-	-	-
Mutual funds	440,328,253	440,328,253	-	-	-
	<u>\$ 660,958,841</u>	<u>\$ 542,151,146</u>	<u>\$ 83,852,723</u>	<u>\$ 34,954,972</u>	<u>\$ -</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, 2025, for each investment type:

Investment Type	Fair Value	Rating
U.S. Agency coupon securities	\$122,758,418	AAA
U.S. Treasury obligations	94,897,868	not rated
Commercial paper	2,974,302	A1/P1
Mutual funds	440,328,253	not rated
	<u>\$660,958,841</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	\$ 54,622,493	8.26%
United States Treasury	U.S. treasuries	94,897,868	14.36%

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, 2025, 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	\$ 12,711,700	1.92%
Federal Home Loan Mortgage Co.	U.S. agency securities	26,363,382	3.99%
Federal Home Loan Bank	U.S. agency securities	54,622,493	8.26%
Federal Farm Credit	U.S. agency securities	19,256,658	2.91%
Farmer Mac	U.S. agency securities	8,389,350	1.27%
Tennessee Valley Authority	U.S. agency securities	1,414,836	0.21%
United States Treasury	U.S. treasuries	94,897,868	14.36%

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, 2025, the City had no exposure to foreign currency rate risk, nor did the Medical Center as dollar denominated, international mutual funds (20.8% 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, 2025:

<u>Investment Type</u>	<u>Fair Value</u>
Equity mutual funds	<u>\$ 19,178,261</u>
	<u>\$ 19,178,261</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, 2025 included approximately \$8,250,000 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, 2025, is as follows:

<i>Governmental activities:</i>	Balance June 30, 2024	Increases	Decreases	Balance June 30, 2025
Non-depreciable capital assets:				
Land	\$ 17,284,601	\$ 1,078,411	\$ -	\$ 18,363,012
Public art collection	640,326	120,500	-	760,826
Construction in progress	15,377,533	21,368,712	(2,984,835)	33,761,410
Total non-depreciable capital assets	<u>33,302,460</u>	<u>22,567,623</u>	<u>(2,984,835)</u>	<u>52,885,248</u>
Depreciable/amortizable capital assets:				
Buildings	35,803,199	82,618	-	35,885,817
Equipment	38,290,265	3,668,795	(3,399,653)	38,559,407
Infrastructure	331,069,050	11,077,308	-	342,146,358
Intangible assets				
Lease assets	169,167	-	-	169,167
Subscription-based IT assets	797,240	-	(596,421)	200,819
	<u>406,128,921</u>	<u>14,828,721</u>	<u>(3,996,074)</u>	<u>416,961,568</u>
Less accumulated depreciation/amortization:				
Buildings	14,423,722	913,882	-	15,337,604
Equipment	22,735,267	2,502,947	(3,308,554)	21,929,660
Infrastructure	174,981,054	10,694,651	-	185,675,705
Intangible assets				
Lease assets	64,953	53,619	-	118,572
Subscription-based IT assets	411,823	118,641	(431,217)	99,247
	<u>212,616,819</u>	<u>14,283,740</u>	<u>(3,739,771)</u>	<u>223,160,788</u>
Total depreciable/amortizable capital assets	<u>193,512,102</u>	<u>544,981</u>	<u>(256,303)</u>	<u>193,800,780</u>
Total capital assets	<u>\$ 226,814,562</u>	<u>\$ 23,112,604</u>	<u>\$ (3,241,138)</u>	<u>\$ 246,686,028</u>

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

General government	\$ 571,574
Public safety	722,862
Public works	10,559,541
Culture and recreation	2,425,534
Community and economic development	4,229
Total depreciation/amortization expense - governmental activities	<u>\$ 14,283,740</u>

CITY OF AMES, IOWA
NOTES TO THE FINANCIAL STATEMENTS (continued)
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<i>Business-type activities:</i>	Balance June 30, 2024	Increases	Decreases	Balance June 30, 2025
Non-depreciable capital assets:				
Land	\$ 16,116,650	\$ 1,215,083	\$ 456,050	\$ 17,787,783
Construction in progress	33,664,951	55,411,060	(43,574,563)	45,501,448
Total non-depreciable capital assets	49,781,601	56,626,143	(43,118,513)	63,289,231
Depreciable/amortizable capital assets:				
Plant and distribution systems	481,014,608	19,184,210	(473,190)	499,725,628
Buildings	315,115,945	14,039,677	(30,517)	329,125,105
Equipment	167,889,838	11,798,049	(4,204,426)	175,483,461
Improvements	28,938,531	1,665,541	(251,354)	30,352,718
Intangible assets				
Lease assets	2,940,438	45,610	(281,258)	2,704,790
Subscription-based IT assets	3,221,342	2,307,169	(957,504)	4,571,007
	999,120,702	49,040,256	(6,198,249)	1,041,962,709
Less accumulated depreciation/amortization:				
Plant and distribution systems	243,474,381	10,820,485	(473,189)	253,821,677
Buildings	154,904,013	11,748,353	(30,516)	166,621,850
Equipment	130,802,209	8,702,343	(4,112,055)	135,392,497
Improvements	12,789,271	1,048,051	(148,510)	13,688,812
Intangible assets				
Lease assets	1,589,936	667,855	(273,407)	1,984,384
Subscription-based IT assets	1,156,666	1,033,248	(731,855)	1,458,059
	544,716,476	34,020,335	(5,769,532)	572,967,279
Total depreciable/amortizable capital assets	454,404,226	15,019,921	(428,717)	468,995,430
Total capital assets	\$ 504,185,827	\$ 71,646,064	\$ (43,547,230)	\$ 532,284,661

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 \$8,860,431. Other aggregate amounts related to pension are separately displayed in the financial statements.

Iowa Public Employees Retirement System (IPERS)

Plan description. The City participates in IPERS, a cost sharing, multiple-employer, defined benefit pension plan administered by the State of Iowa. IPERS provides retirement, disability, and death

benefits to eligible members and beneficiaries. State statutes authorize the State to establish and amend all plan provisions. The State issues a publicly available financial report, which includes financial statements and required supplementary information. This may be obtained either at www.ipers.org or by written request to IPERS, P.O. Box 9117, Des Moines, IA, 50306-9117.

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

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

During the fiscal year ended June 30, 2025, regular members contributed 6.29% and the City contributed 9.44% of covered wages. Rates for the fiscal year beginning July 1, 2025, 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, 2025. The City's total contributions to IPERS for the years ended June 30, 2025, 2024, and 2023 were \$12,000,767, \$11,525,155, and \$11,205,032, 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, 2025, the City reported a liability of \$46,677,288, of which \$33,419,164 is Mary Greeley Medical Center's proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, 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, 2024, the City's proportion was 1.2818%, which is a decrease of 0.0395% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the City recognized pension expense of \$6,684,465. At June 30, 2025, 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, 2025

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 4,009,307	\$ 29,375
Changes in assumptions	-	69,419
Net difference between projected and actual earnings on pension plan investments	596,514	-
Changes in proportion and differences between City contributions and proportionate share of contributions	3,355,706	1,241,492
City contributions subsequent to the measurement date	<u>12,000,767</u>	<u>-</u>
	<u>\$ 19,962,294</u>	<u>\$ 1,340,286</u>

\$12,000,767 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, 2026. 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,	
2026	\$ (5,470,232)
2027	12,662,347
2028	1,048,384
2029	(1,575,106)
2030	<u>(44,152)</u>
	<u>\$ 6,621,241</u>

There were no non-employer contributing entities at IPERS.

Actuarial assumptions. The total pension liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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, 2024, 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, 2025, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	21.0%	3.52%
International equity	13.0	5.18
Global smart beta equity	5.0	4.12
Core-plus fixed income	25.5	3.04
Public credit	3.0	4.53
Cash	1.0	1.69
Private equity	17.0	8.89
Private real assets	9.0	4.25
Private credit	5.5	6.62
	100.0%	

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

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate. The following presents the City's proportionate share of the net pension liability calculated

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

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
City's proportionate share of the net pension liability	\$ 116,787,358	\$ 46,677,288	\$ (12,041,363)

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

Payables to the pension plan. At June 30, 2025, the City reported a payable to the defined benefit pension plan of \$2,151,877 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 9.55%, 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, 2025, was 22.66%. The City's total contributions to MFPRSI for the years ended June 30, 2025, 2024, and 2023 were \$2,225,933, \$2,148,157, and \$2,197,536, 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, 2025.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions. At June 30, 2025, the City reported a liability of \$16,454,725 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, 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, 2024, the City's proportion was 2.4902%, which is a decrease of 0.0458% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the City recognized pension expense of \$2,175,966. At June 30, 2025, 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	\$ 1,735,141	\$ -
Changes in assumptions	59,396	1
Net difference between projected and actual earnings on pension plan investments	1,101,308	-
Changes in proportion and differences between City contributions and proportionate share of contributions	4,562	567,260
City contributions subsequent to the measurement date	2,225,933	-
	<u>\$ 5,126,340</u>	<u>\$ 567,261</u>

\$2,225,933 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, 2026. 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,	
2026	(\$608,976)
2027	2,283,129
2028	493,014
2029	148,039
2030	17,940
	<u>\$2,333,146</u>

Actuarial assumptions. The total pension liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of inflation	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, 2024 valuation were based on the results of an actuarial experience study for the 10-year period ending June 30, 2023. 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	4.8%
Broad U.S. equity	7.5
Global equity	7.6
Broad non-US equity	7.7
Managed futures	5.5
Core real estate	6.0
Opportunistic real estate	9.8
Global infrastructure	6.7
Private credit	9.4
Private equity	10.2

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	\$ 28,628,887	\$ 16,454,725	\$ 6,377,866

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

Payables to the pension plan. At June 30, 2025, 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 \$312,264, and City contributions were \$458,565 for the fiscal year ended June 30, 2025.

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 \$467,788. 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 \$9,345,549, without the hospital the City had \$4,945,916 which was measured as of June 30, 2025 and was determined by an actuarial valuation as June 30, 2024.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2025 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	5.20% 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.

Expense Type	Select	Ultimate
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, 2025 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	\$ 5,232,291
Changes for year:	
Service cost	367,193
Interest	215,881
Changes in assumptions or other inputs	(654,590)
Benefit payments	(214,859)
Net changes	(286,375)
Balance, end of year	\$ 4,945,916

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 (4.20 percent) or one percentage point higher (6.20 percent) than the current discount rate:

	1% Decrease (4.2%)	Discount Rate (5.2%)	1% Increase (6.2%)
Total OPEB liability	\$ 5,464,000	\$ 4,946,000	\$ 4,485,000

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	\$ 4,314,000	\$ 4,946,000	\$ 5,708,000

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

For the fiscal year ended June 30, 2025, the City recognized OPEB expense of \$809,000. At June 30, 2025, 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	\$ 1,856,245	\$ 192,461
Changes of assumptions or other inputs	604,110	694,624
	<u>\$ 2,460,355</u>	<u>\$ 887,085</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:	
2026	\$ 226,351
2027	226,351
2028	226,351
2029	226,350
2030	228,567
Thereafter	439,300
	<u>\$ 1,573,270</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, 2025, the hospital contributed approximately \$835,000. Retirees receiving benefits contributed approximately \$387,000 through their required contributions. Inactive members receiving benefits contributed through their required monthly contributions of:

Employee	\$	739
Employee + spouse		1,475
Employee + children		1,355
Family		2,247

Employees covered by benefit terms. At June 30, 2025, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	428
Active employees	1,269
	<u>1,697</u>

Total OPEB Liability

The hospital's total OPEB liability of \$4,402,449 was measured as of January 1, 2025 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	3.28% per annum (effective January 1, 2025)
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	4.28% (effective January 1, 2025)
Health care cost trend rates	7.50% for medical and prescription benefits for 2025, decreasing 0.50% per year to an ultimate rate of 4.5% for 2031 and later years (effective January 1, 2025)

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, 2025 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	\$ 4,178,041
Service cost	224,224
Interest	164,657
Differences between expected and actual experience	779,254
Changes in assumptions or other inputs	(84,905)
Change in benefit terms	(281,492)
Benefit payments	(577,330)
Net changes	224,408
Balance, end of year	\$ 4,402,449

Effect of assumptions changes and inputs for the year ended June 30, 2025, reflect a change in the inflation rate from 3.00% to 3.28% and a change in the discount rate from 4.00% to 4.28%.

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 (3.28%) or one percentage point higher (5.28%) than the current discount rate:

	1% Decrease (3.28%)	Discount Rate (4.28%)	1% Increase (5.28%)
Total OPEB liability	\$ 4,718,778	\$ 4,402,449	\$ 4,120,399

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability to the hospital, as well as what the hospital's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (6.50% decreasing to 3.50%) or one percentage point higher (8.50% decreasing to 5.50%) than the current healthcare cost trend rates:

	1% Decrease (6.5% Decreasing to 3.5%)	Healthcare Cost Trend Rates (7.5% Decreasing to 4.5%)	1% Increase (8.5% Decreasing to 5.5%)
Total OPEB liability	\$ 4,055,624	\$ 4,402,449	\$ 4,795,160

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

For the fiscal year ended June 30, 2025, the hospital recognized OPEB expense of (\$341,212). At June 30, 2025, 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	\$ 519,503	\$ 113,136
Changes of assumptions or other inputs	110,279	56,604
Contributions made subsequent to measurement date	101,987	-
Total	<u>\$ 731,769</u>	<u>\$ 169,740</u>

The amount of \$101,987 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, 2026. 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:	
2026	\$ 228,592
2027	231,450
	<u>\$ 460,042</u>

4.8 Construction and other significant commitments

Construction commitments. As of June 30, 2025, the City's commitments with contractors were:

Project	Spent to Date	Remaining Commitment
Streets & bridges	\$ 2,969,102	\$ 8,535,903
Shared use paths	523,410	41,757
Fire	74,396	337,653
Parks	10,821,390	10,839,495
Electric	4,924,174	13,157,203
Water	3,338,219	5,448,219
Sewer	20,657,279	41,249,301
Stormwater	279,120	2,236,875
Transit	529,880	9,153,504
Airport	2,509,025	2,325,751
Traffic signal	3,809,803	2,897,692
Facilities	354,642	1,704,931
City manager	6,563	146,492
Planning	372,509	77,618
Sustainability	41,040	61,560
Finance	120,662	168,539
Police	-	23,440
Library	7,360	640
Engineering	38,637	390
Resource Recovery	47,171	94,035
Parking	-	19,480
Risk	25,516	36,984
	<u>\$ 51,449,898</u>	<u>\$ 98,557,462</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	\$ 1,422,890
Capital projects fund	17,721,575
Non-major governmental funds	3,657,515
Electric	13,014,239
Water	5,835,732
Sewer	40,288,260
Non-major business-type funds	14,140,566
	<u>\$ 96,080,777</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, 2025, 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, 2025 and 2024 were:

	<u>2025</u>	<u>2024</u>
Liability, July 1	\$ 1,509,712	\$ 1,282,758
Claims incurred & claims adjustments	1,176,840	801,340
Claim payments	<u>(906,305)</u>	<u>(574,386)</u>
Liability, June 30	<u>\$ 1,780,247</u>	<u>\$ 1,509,712</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:

	<u>2025</u>	<u>2024</u>
Liability, July 1	\$ 611,721	\$ 418,892
Claims incurred & claims adjustments	11,260,755	10,604,329
Claim payments	<u>(11,098,599)</u>	<u>(10,411,500)</u>
Liability, June 30	<u>\$ 773,877</u>	<u>\$ 611,721</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 \$227,000 as an estimate for professional liability claims that were incurred but not reported as of June 30, 2025.

The hospital is self-insured for health care coverage of employees and covered dependents and carries stop-loss insurance coverage, which assumes liability for claims in excess of \$175,000 per individual claim and 120% aggregate of expected paid claims. Accrued costs related to health care coverage amounted to \$1,574,000 at June 30, 2025.

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 \$257,000 at June 30, 2025.

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, 2025 and 2024 were as follows:

CITY OF AMES, IOWA
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	Professional Liability		Health Insurance	
	2025	2024	2025	2024
Liability, July 1	\$ 249,914	\$ 199,803	\$ 2,000,667	\$ 1,511,683
Claims incurred & claims adjustments	(16,023)	51,436	12,677,088	13,341,637
Claim payments	(7,344)	(1,325)	(13,104,139)	(12,852,653)
Liability, June 30	<u>\$ 226,547</u>	<u>\$ 249,914</u>	<u>\$ 1,573,616</u>	<u>\$ 2,000,667</u>
	Workers' Compensation			
	2025	2024		
Liability, July 1	\$ 296,136	\$ 483,749		
Claims incurred & claims adjustments	293,830	288,874		
Claim payments	(333,067)	(476,487)		
Liability, June 30	<u>\$ 256,899</u>	<u>\$ 296,136</u>		

4.10 Leases

As of June 30, 2025, 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, 2025 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, 2025, 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, 2025, 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

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combined value of the lease liability is \$59,152. The combined value of the right to use asset is \$221,483 with accumulated amortization of \$163,629. Principal and Interest requirements to maturity are as follows:

Fiscal Year Ending June 30,	Leases Payable					
	Business-Type Activities			Governmental Activities		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 7,259	\$ 49	\$ 7,308	\$ 51,893	\$ 1,023	\$ 52,916
	\$ 7,259	\$ 49	\$ 7,308	\$ 51,893	\$ 1,023	\$ 52,916

Lease receivable

On June 30, 2025, 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 \$1,895,224, the total combined value of the short-term lease receivable is \$113,963, and the combined value of the deferred inflow of resources is \$1,749,864.

Fiscal Year Ending June 30,	City Leases Receivable					
	Business-Type Activities			Governmental Activities		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 108,875	\$ 29,296	\$ 138,171	\$ 5,088	\$ 22,893	\$ 27,981
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	95,469	21,467	116,936	10,075	21,410	31,485
2031-2035	480,776	76,040	556,816	82,082	96,952	179,034
2036-2040	193,953	42,224	236,177	149,984	68,149	218,133
2041-2045	70,686	31,759	102,445	190,550	21,818	212,368
Thereafter	211,749	73,183	284,932	-	-	-
	\$1,435,137	\$ 349,452	\$ 1,784,589	\$ 460,087	\$ 297,987	\$ 758,074

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, 2025, the value of the lease receivable is \$460,087. 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, 2025, was \$389,583, 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, 2025, the value of the lease receivable is \$35,497. 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, 2025 was \$35,624, 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, 2025, the value of the lease receivable is \$23,827. 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, 2025, was \$23,348, 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, 2025, the value of the lease receivable is \$32,161. 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, 2025, was \$32,091, and the City recognized lease revenue of \$1,459 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, 2025, the value of the lease receivable is \$41,698. 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, 2025, was \$40,861, 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, 2025, the value of the lease receivable is \$161,956. 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, 2025, was \$145,886, 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, 2025, the value of the lease receivable is \$55,598. 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, 2025, was \$54,481, 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 an 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, 2025, the value of the lease receivable is \$826,325. 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, 2025, was \$797,854, 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, 2025, the value of the lease receivable is \$13,237. 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, 2025, was \$12,972, 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, 2025, the value of the lease receivable is \$204,689. 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, 2025, was \$179,317, 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, 2025, the value of the lease receivable is \$33,350. 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, 2025, was \$30,996, 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, 2025, the City, not including MGMC, had ten active subscriptions that have payments that range from \$1,500 to \$80,255 and interest rates that range from 1.7100% to 2.9010%. As of June 30, 2025 the total combined value of the subscription liability is \$224,583.

The combined value of the right-to-use asset is \$634,597 with accumulated amortization of \$410,014.

The future principal and interest subscription-based information technology arrangement (SBITA) payments as of June 30, 2025, are as follows:

City IT Subscription Asset						
Fiscal Year Ending June 30,	Business-Type Activities			Governmental Activities		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 113,428	\$ 3,014	\$ 116,442	\$ 33,143	\$ 2,151	\$ 35,294
2027	4,723	277	5,000	33,853	1,442	35,295
2028	4,859	141	5,000	34,577	717	35,294
	<u>\$ 123,010</u>	<u>\$ 3,432</u>	<u>\$ 126,442</u>	<u>\$ 101,573</u>	<u>\$ 4,310</u>	<u>\$ 105,883</u>

The future principal and interest lease and SBITA payments, including MGMC as of June 30, 2025, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	\$ 1,308,529	\$ 115,621	\$ 1,424,150
2027	798,660	69,857	868,517
2028	621,807	39,850	661,657
2029	437,122	16,774	453,896
	<u>\$ 3,166,118</u>	<u>\$ 242,102</u>	<u>\$ 3,408,220</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 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, 2025, are as follows:

Governmental Activities					
General Obligation Bonds	Sale Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding June 30, 2025
Corporate purpose	2014	\$ 9,395,000	2.000-2.500 %	2026	\$ 665,000
Corporate purpose/refunding	2015	15,670,000	3.000-5.000	2035	2,100,000
Corporate purpose	2016	9,020,605	2.000-5.000	2028	2,008,514
Corporate purpose/refunding	2017	10,975,000	2.000-5.000	2029	2,645,000
Corporate purpose	2018	7,490,000	3.000-5.000	2030	3,560,000
Corporate purpose/TIF	2019	290,000	1.500-5.000	2031	175,000
Corporate purpose	2019	10,230,000	1.500-5.000	2031	5,395,000
Corporate purpose	2020	9,500,000	1.000-5.000	2032	5,935,000
Corporate purpose/refunding	2020	7,929,118	1.000-5.000	2032	1,760,000
Corporate purpose	2021	9,850,000	1.375-5.000	2033	7,025,000
Corporate purpose/refunding	2021	9,372,505	1.375-5.000	2033	5,080,000
Corporate purpose	2022	12,440,000	4.000-5.000	2034	9,620,000
Corporate purpose	2023	12,110,000	5.000	2035	10,215,000
Corporate purpose	2024	17,495,000	4.000-5.000	2044	16,495,000
		<u>\$ 141,767,228</u>			<u>\$ 72,678,514</u>

Business-Type Activities					
General Obligation Bonds	Sale Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding June 30, 2025
Corporate purpose/refunding	2015	\$ 1,860,000	3.000-5.000	2027	\$ 375,000
Corporate purpose	2015	915,000	3.000-5.000	2027	540,000
Corporate purpose/refunding	2016	2,629,395	2.000-5.000	2028	461,486
Corporate purpose	2019	255,000	1.500-5.000	2031	150,000
Corporate purpose/refunding	2021	417,495	5.000	2025	-
		<u>\$ 6,076,890</u>			<u>\$ 1,526,486</u>

On September 25, 2024, the City issued \$17,495,000 of general obligation, corporate purpose bonds for acquiring and installing street/traffic system equipment, undertaking improvements to the Ada Hayden Heritage Park, undertaking improvements to the municipal airport, and undertaking a project in the Downtown Reinvestment District Urban Renewal Area consisting of constructing, furnishing and equipping an indoor aquatic center an associated grounds and facilities, which had interest rates of 4.000% to 5.000%. Maturity dates on the bonds range from June 1, 2025 to June 1, 2044. Debt Service payments are scheduled to be paid semi-annually in

amounts that range from \$1,163,800 to \$1,544,138. Bonds due after June 1, 2032 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, 2025 are as follows:

Revenue Bonds	Sale Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding June 30, 2025
Electric	2015	\$ 9,500,000	2.125-5.000	2027	\$ 1,855,000
Hospital refunding	2016	64,790,000	3.000-5.000	2036	50,325,000
Hospital expansion/remodel	2019	35,000,000	1.990	2034	22,665,000
		<u>\$ 109,290,000</u>			<u>\$ 74,845,000</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 2016 revenue bonds with original borrowings of \$64,790,000. Net revenue is defined in the supplemental master trust indenture of trust dated June 15, 2016, as operating revenue, less operating expenses plus depreciation. The purpose of the 2016 bonds is to refund the 2011 bonds, and to finance the expansion and renovation of the medical facility. The bonds are payable solely from net revenues and payable through 2036.

Total principal and interest remaining to be paid on hospital bonds as of June 30, 2025 is \$88,119,052. Principal and interest paid during the fiscal year was \$9,983,346 and net revenue for the same period, as defined above, was \$30,291,179.

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, 2025, is \$1,934,275. Principal and interest paid during the fiscal year ended June 30, 2025, was \$966,213 and net revenue for the same period, as defined above, was \$6,954,810.

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 \$75,384 at June 30, 2025, with a current portion of \$13,918.

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, 2025 is \$38,780,000.

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 \$200,566 during the fiscal year, and the amount of principal outstanding as of June 30, 2025 is \$2,434,000.

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 \$611,726 during the fiscal year, and the amount of principal outstanding as of June 30, 2025 is \$6,860,977. The City has \$4,550,023 in capital loan notes still available as of June 30, 2025.

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, 2025, net revenues were \$5,433,226 and principal and interest due of \$4,421,563.

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, 2025 is \$1,029,000.

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, 2025 is \$3,802,000.

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, 2025 is \$370,000.

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, 2025 is \$516,000.

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, 2025 is \$7,000,000.

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 \$2,263,598 during the fiscal year, and the amount of principal outstanding as of June 30, 2025 is \$3,324,175.

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. No amounts were borrowed during the fiscal year. The amount of principal outstanding as of June 30, 2025 is \$1,344,000.

The City has an eleventh revenue capital loan note agreement with the IFA in an amount not to exceed \$65,185,000. The funds are to be used for the Water Pollution Control facility. 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. The City borrowed \$13,827,079 during the fiscal year, and the amount of principal outstanding as of June 30, 2025 is \$13,827,079. The City has \$51,357,921 in capital loan notes still available as of June 30, 2025.

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, 2025, the sewer fund had net revenues of \$5,427,955 and the amount of principal and interest due was \$1,474,202.

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, 2023, related to the 2024-2025 fiscal year. At June 30, 2025, the outstanding debt of \$74,205,000 is below the limit of \$328,057,008, leaving a debt margin of over \$253 million.

Changes in long-term liabilities. Changes in the City's long-term liabilities for the fiscal year ended June 30, 2025, are as follows:

CITY OF AMES, IOWA
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2025

	Balance June 30, 2024, restated	Additions	Deletions	Balance June 30, 2025, restated	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 65,002,207	\$ 17,495,000	\$ (9,818,693)	\$ 72,678,514	\$ 9,253,849
Premium	5,873,291	1,237,930	(902,334)	6,208,887	865,786
Total bonds payable	70,875,498	18,732,930	(10,721,027)	78,887,401	10,119,635
Compensated absences*	3,836,146	47,762	-	3,883,908	1,145,970
Lease liability	104,214	-	(52,321)	51,893	51,893
Subscription liability	385,417	-	(283,845)	101,572	33,143
Governmental activities long-term debt	<u>\$ 75,201,275</u>	<u>\$ 18,780,692</u>	<u>\$ (11,057,193)</u>	<u>\$ 82,924,774</u>	<u>\$ 11,350,641</u>

* The roll-forward schedule only reports the net change in the compensated absences liability.

Historically, liabilities for compensated absences and other post-employment benefits are generally liquidated by the General Fund, Local Option Sales Tax Fund, Road Use Tax Fund, Public Housing Fund, Internal Service Funds, and the Community Development Block Grant. Historically, lease liabilities and subscription-based information technology agreements (SBITAs) are liquidated from its respective fund which is included within the financial statements.

	Balance June 30, 2024, restated	Additions	Deletions	Balance June 30, 2025, restated	Due Within One Year
Business-type activities:					
Bonds payable:					
Revenue bonds	\$ 82,955,000	\$ -	\$ (8,110,000)	\$ 74,845,000	\$ 6,895,000
Premium	3,846,547	-	(617,039)	3,229,508	576,616
Total revenue bonds	86,801,547	-	(8,727,039)	78,074,508	7,471,616
General obligation bonds	2,032,793	-	(506,307)	1,526,486	406,151
Premium	175,953	-	(51,667)	124,286	40,549
Total general obligation bonds	2,208,746	-	(557,974)	1,650,772	446,700
Total bonds payable	89,010,293	-	(9,285,013)	79,725,280	7,918,316
Compensated absences *	9,710,511	167,332	-	9,877,843	1,219,482
Lease liability	1,240,766	45,611	(619,943)	666,434	491,281
Subscription liability	1,654,560	2,276,843	(1,585,184)	2,346,219	732,212
Capital loan notes payable	66,806,214	16,902,968	(4,421,951)	79,287,231	4,610,175
Business-type activities long-term debt	<u>\$ 168,422,344</u>	<u>\$ 19,392,754</u>	<u>\$ (15,912,091)</u>	<u>\$ 171,903,007</u>	<u>\$ 14,971,466</u>

* The roll-forward schedule only reports the net change in the compensated absences liability.

CITY OF AMES, IOWA
 NOTES TO THE FINANCIAL STATEMENTS (continued)
 JUNE 30, 2025

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

Governmental activities:

Year Ending June 30,	General Obligation Bonds	
	Principal	Interest
2026	\$ 9,253,849	\$ 2,824,634
2027	8,851,187	2,429,572
2028	8,123,478	2,053,381
2029	7,700,000	1,794,937
2030	7,305,000	1,488,187
2031-2035	22,610,000	4,142,688
2036-2040	4,605,000	1,408,900
2041-2044	4,230,000	431,400
Total	<u>\$ 72,678,514</u>	<u>\$ 16,573,699</u>

Business-type activities:

Year Ending June 30,	General Obligation Bonds		Revenue Bonds	
	Principal	Interest	Principal	Interest
2026	\$ 406,151	\$ 64,397	\$ 6,895,000	\$ 2,587,990
2027	418,813	53,585	7,145,000	2,336,097
2028	231,522	42,426	6,445,000	2,068,984
2029	75,000	13,794	6,655,000	1,859,826
2030	80,000	11,794	6,875,000	1,643,173
2031-2035	315,000	28,761	35,310,000	4,491,457
2036-2040	-	-	5,520,000	220,800
Total	<u>\$ 1,526,486</u>	<u>\$ 214,757</u>	<u>\$ 74,845,000</u>	<u>\$ 15,208,327</u>

Year Ending June 30,	Capital Loan Notes	
	Principal	Interest
2026	\$ 4,610,175	\$ 1,715,942
2027	4,795,000	1,622,867
2028	6,657,000	1,525,372
2029	7,344,000	1,378,504
2030	7,824,000	1,213,753
2031-2035	32,398,081	3,557,807
2036-2040	13,634,975	848,547
2041-2044	2,024,000	78,600
Total	<u>\$ 79,287,231</u>	<u>\$ 11,941,392</u>

Year Ending June 30,	Total Business - Type Activities		Total Primary Government Debt	
	Principal	Interest	Principal	Interest
2026	\$ 11,911,326	\$ 4,368,329	\$ 21,165,175	\$ 7,192,963
2027	12,358,813	4,012,549	21,210,000	6,442,121
2028	13,333,522	3,636,782	21,457,000	5,690,163
2029	14,074,000	3,252,124	21,774,000	5,047,061
2030	14,779,000	2,868,720	22,084,000	4,356,907
2031-2035	68,023,081	8,078,025	90,633,081	12,220,713
2036-2040	19,154,975	1,069,347	23,759,975	2,478,247
2041-2044	2,024,000	78,600	6,254,000	510,000
Total	<u>\$155,658,717</u>	<u>\$ 27,364,476</u>	<u>\$228,337,231</u>	<u>\$ 43,938,175</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 25.00% of operating expenditures.

The details for the City's fund balances are on the following page:

CITY OF AMES, IOWA
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2025

	General	Capital Projects	Debt Service	Special Revenues	Permanent Funds	Total
Nonspendable:						
Inventory	\$ 23,792	\$ -	\$ -	\$ 210,967	\$ -	\$ 234,759
Prepaid items	156,882	-	-	3,278	-	160,160
Perpetual care principal	-	-	-	-	1,132,565	1,132,565
Aquatic center endowment	-	-	-	-	1,000,000	1,000,000
Total nonspendable fund balance	180,674	-	-	214,245	2,132,565	2,527,484
Restricted:						
Debt service	-	-	3,834,328	1,257,007	-	5,091,335
Aquatic center	-	-	-	-	165,905	165,905
Street construction	-	-	-	9,909,639	-	9,909,639
Environment and economic betterment	-	8,325,982	-	11,676,001	-	20,001,983
General obligation bond projects	-	23,398,233	-	-	-	23,398,233
Housing assistance	-	-	-	590,394	-	590,394
Public safety	-	-	-	784,921	-	784,921
Library	-	-	-	486,894	-	486,894
Parks and recreation	-	583,894	-	-	-	583,894
Project Share	-	-	-	4,820	-	4,820
Developers' projects	-	-	-	248,982	-	248,982
Total restricted fund balance	-	32,308,109	3,834,328	24,958,658	165,905	61,267,000
Committed:						
Parks and recreation	-	2,039,725	-	524,396	-	2,564,121
Housing assistance	-	-	-	383,348	-	383,348
Green energy projects	-	-	-	18,113	-	18,113
Environment and economic betterment	-	-	-	3,908,647	-	3,908,647
Public Art Donations	-	-	-	32	-	32
Total committed fund balance	-	2,039,725	-	4,834,536	-	6,874,261
Assigned:						
Administration	84,463	-	-	-	-	84,463
City Hall maintenance	230,977	-	-	-	-	230,977
City Manager	12,668	-	-	-	-	12,668
Cemetery	25,599	-	-	-	-	25,599
Fire	110,875	-	-	-	-	110,875
Planning	1,139	-	-	-	-	1,139
Police	11,853	-	-	-	-	11,853
Parks and Recreation	1,752	-	-	-	-	1,752
Parks and Recreation maintenance	10,699	-	-	-	-	10,699
Parks and Recreation CIP	280,973	-	-	-	-	280,973
Public Relations	11,102	-	-	-	-	11,102
Sustainability	59,998	-	-	-	-	59,998
Total assigned fund balance	842,098	-	-	-	-	842,098
Unassigned	13,515,903	(1,404,888)	-	-	-	12,111,015
Total fund balance	\$ 14,538,675	\$ 32,942,946	\$ 3,834,328	\$ 30,007,439	\$ 2,298,470	\$ 83,621,858

4.14 Inter-fund receivables and payables

The composition of inter-fund balances as of June 30, 2025, is as follows:

Receivable Fund	Payable Fund				
	General Fund	Capital Projects	Electric	Sewer	Water
Major Funds:					
General Fund	\$ -	\$ 8,437	\$ 382,831	\$ 116,723	\$ 137,073
Capital Projects	-	-	-	-	-
Electric	74,603	-	-	31,109	32,788
Sewer	101	-	48,071	-	141,480
Water	-	405	48,571	146,937	-
Non-Major Funds:					
Special Revenue	362,189	457,875	12,033	160,382	185,013
Enterprise	11,281	71,759	82,454	-	-
Internal Service	220,316	4,425	225,561	104,969	50,933
Total	\$ 668,490	\$ 542,901	\$ 799,521	\$ 560,120	\$ 547,287

Receivable Fund	Payable Fund				
	Non-Major Permanent Funds	Non-Major Special Revenue Funds	Non-Major Enterprise Funds	Internal Service Funds	Total
Major Funds:					
General Fund	\$ 51,553	\$ 1,080,539	\$ 166,143	\$ 126,719	\$ 2,070,018
Capital Projects	-	49,900	-	-	49,900
Electric	-	16	-	-	138,516
Sewer	-	-	1,811	-	191,463
Water	-	-	-	-	195,913
Non-Major Funds:					
Special Revenue	-	89,599	287,787	-	1,554,878
Enterprise	-	3,823	-	1,219	170,536
Internal Service	-	350,709	155,305	5,760	1,117,978
Total	\$ 51,553	\$ 1,574,586	\$ 611,046	\$ 133,698	\$ 5,489,202

The outstanding balances between funds result mainly from the time lag between the dates that interfund 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, 2025, is as follows:

Transfers In	Transfers Out						Total
	General Fund	Capital Projects	Electric	Water	Non-Major Special Revenue	Non-Major Enterprise	
Major Funds:							
General Fund	\$ -	\$ 6,478	\$ 2,420,784	\$ -	\$ 7,378,953	\$ -	\$ 9,806,215
Capital Projects	3,000,000	-	-	-	100,000	-	3,100,000
Debt Service	-	38,450	-	761	332,051	7,991	379,253
Non-Major Funds:							
Special Revenue	200,000	-	-	-	173,200	-	373,200
Enterprise	2,758,927	-	-	-	50,000	-	2,808,927
Total	\$ 5,958,927	\$ 44,928	\$ 2,420,784	\$ 761	\$ 8,034,204	\$ 7,991	\$ 16,467,595

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 \$3,380,391. 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 \$165,905 at June 30, 2025, 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 \$2,487,805. Certain agreements include provisions for the payment of interest.

During the fiscal year ended June 30, 2025, the City rebated \$347,950 of incremental property tax to developers, which was all for principal. The total cumulative principal amount rebated on the

agreements is \$1,802,254. The outstanding balance on the agreements at June 30, 2025 was \$685,551.

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%. Assessed tax abated during FY2025 was \$43,056,400 under this designation.

For the fiscal year ended June 30, 2025, the City abated \$347,950 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, 2025.

4.19 Implementation of GASB Statement No. 101 and No. 102

As of July 1, 2024, the City adapted GASB Statement No. 101, “*Compensated Absences*.” The objective of the Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is

achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The impact to the City resulted in the reporting of sick leave annual payments in the short term compensated absences.

As of July 1, 2024 the City adapted GASB Statement No. 102, “*Certain Risk Disclosures*.” 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. 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.

Statement No. 104, “*Disclosure of Certain Capital Assets*.” The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2026.

Statement No. 105, “*Subsequent Events*.” The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2027.

4.21 Contingencies

The City's Legal Department reported to management that, as of June 30, 2025, 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.

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 October 14, 2025, the City issued \$12,530,000 of general obligation, corporate purpose bonds for paying the cost of constructing street and incidental public infrastructure improvements; acquiring and installing street lighting, signage, and signalization improvements; undertaking trail and related improvements to Ada Hayden Heritage Park; undertaking improvements to the municipal airport and undertaking alerting system improvements at municipal fire station facilities. The interest rates on the bonds are 4.000% - 5.000% with final maturity on June 1, 2037.

4.24 Adjustments and restatements of beginning balances

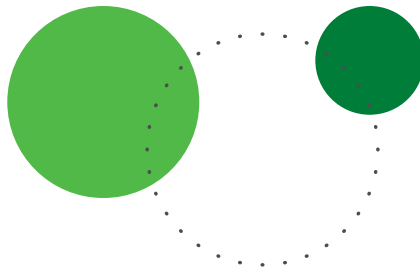
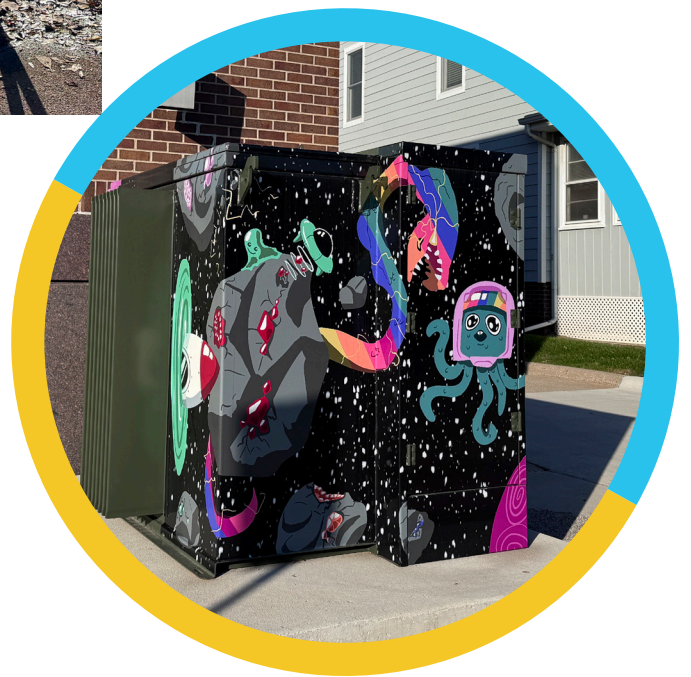
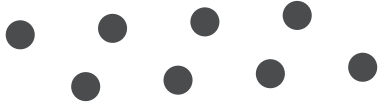
During the current year, the City of Ames implements GASB Statement No. 101, *Compensated Absences*. In addition to the value of unused vacation time owed to employees upon separation of employment, the City of Ames now recognized an estimated amount of sick leave earned as of year-end that will be used by employees as time-off in future years as part of the liability for compensated absences. This was calculated using a five-year average of paid out sick leave. The effects of the

change in accounting principle are summarized below in the “Restatement – GASB 101 implementation” column in the table below.

	Net position/fund balance 6/30/2024 as previously reported	Restatement - GASB 101 implementation	Net position/fund balance 6/30/2024 as restated / adjusted
Government-wide			
Governmental activities	\$ 234,783,670	\$ (1,037,253)	\$ 233,746,417
Business-type activities	918,340,323	(445,033)	917,895,290
Total government-wide	\$ 1,153,123,993	\$ (1,482,286)	\$ 1,151,641,707
Governmental funds			
Major funds:			
General fund	\$ 17,045,839	\$ -	\$ 17,045,839
Capital projects	26,566,026	-	26,566,026
Debt service	3,870,709	-	3,870,709
Nonmajor funds	35,348,960	-	35,348,960
Total governmental funds	\$ 82,831,534	\$ -	\$ 82,831,534
Proprietary funds			
Enterprise funds			
Major funds:			
Mary Greeley Medical Center	\$ 507,626,604	\$ -	\$ 507,626,604
Electric fund	157,337,078	(153,535)	157,183,543
Sewer fund	61,630,133	(20,427)	61,609,706
Water fund	86,862,637	(49,030)	86,813,607
Non-major enterprise fund	91,833,226	(222,041)	91,611,184
Total enterprise funds	\$ 905,289,678	\$ (445,033)	\$ 904,844,644
Internal service funds	\$ 39,770,118	\$ (49,937)	\$ 39,720,181

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REQUIRED SUPPLEMENTARY INFORMATION



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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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
City's proportion of the net pension liability (asset)	1.2818000%	1.3213807%	1.3057620%	-0.0380697%	1.1986846%	1.1690479%	1.1516658%	1.1292958%	1.1552370%	1.1616104%
City's proportionate share of the net pension liability	\$ 46,677,288	\$ 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
City's covered payroll*	\$ 122,217,356	\$ 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
City's proportionate share of the net pension liability as a percentage of its covered payroll	38.19%	50.09%	45.62%	0.14%	87.03%	74.67%	82.87%	87.87%	86.31%	70.62%
Plan fiduciary net position as a percentage of the total pension liability	92.30%	90.13%	91.40%	100.81%	82.90%	85.45%	83.62%	82.21%	81.82%	85.19%

*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 SYSTEM
 LAST TEN FISCAL YEARS

IPERS - Combined

Fiscal Year Ended	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	\$ 12,000,767	\$ 12,000,767	\$127,309,984	9.43%
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%

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
City's proportion of the net pension liability	2.490188%	2.536032%	2.565791%	2.675493%	2.677595%	2.663532%	2.719769%	2.651310%	2.649945%	2.696727%
City's proportionate share of the net pension liability	\$ 16,454,725	\$ 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
City's covered payroll*	\$ 9,331,460	\$ 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
City's proportionate share of the net pension liability as a percentage of its covered payroll	176.34%	173.27%	166.27%	69.51%	253.18%	216.64%	205.86%	207.14%	230.76%	180.88%
Plan fiduciary net position as a percentage of the total pension liability	83.37%	83.53%	84.62%	93.62%	76.47%	79.94%	81.07%	80.60%	78.20%	83.04%

*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	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	\$ 2,225,933	\$ 2,225,933	\$ 9,691,283	22.97%
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%

See Notes to Required Supplementary Information

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

City:	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability								
Service cost	\$ 367,193	\$ 195,071	\$ 199,160	\$ 181,568	\$ 177,816	\$ 140,814	\$ 128,949	\$ 124,144
Interest	215,881	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	(654,590)	232,831	(30,021)	(99,678)	11,592	746,954	70,173	(51,203)
Benefit payments	(214,859)	(283,759)	(205,641)	(197,042)	(197,291)	(150,412)	(133,691)	(97,725)
Net change in total OPEB liability	(286,375)	2,271,801	69,258	340,663	49,148	437,536	142,203	50,537
Total OPEB liability, beginning	5,232,291	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	\$ 4,945,916	\$ 5,232,291	\$ 2,960,490	\$ 2,891,232	\$ 2,550,569	\$ 2,501,421	\$ 2,063,885	\$ 1,921,682
Covered-employee payroll	\$ 53,094,291	\$ 43,815,520	\$ 42,863,000	\$ 41,514,170	\$ 40,817,000	\$ 39,532,365	\$ 37,519,077	\$ 38,084,243
Total OPEB liability as a percentage of covered-employee payroll	9.32%	11.94%	6.91%	6.96%	6.25%	6.33%	5.50%	5.05%

Notes to schedule:

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

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

2017	3.58%	2022	3.54%
2018	3.87%	2023	3.65%
2019	3.50%	2024	3.93%
2020	2.21%	2025	5.20%
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 EIGHT FISCAL YEARS*

Hospital:	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability								
Service cost	\$ 224,224	\$ 192,131	\$ 236,111	\$ 227,329	\$ 201,432	\$ 171,392	\$ 183,570	\$ 230,410
Interest	164,657	176,573	103,468	98,212	147,571	188,216	171,689	155,873
Differences between expected and actual experience	779,254	(339,409)	(59,957)	(339,352)	(432,129)	(480,311)	(518,903)	907,372
Changes in assumptions or other inputs	(84,905)	330,835	(629,822)	61,467	349,124	211,750	(208,768)	(448,839)
Change in benefit terms	(281,492)	-	-	-	-	-	-	-
Benefit payments	(577,330)	(171,767)	(44,963)	(135,587)	(235,143)	(113,258)	57,836	(10,501)
Net change in total OPEB liability	224,408	188,363	(395,163)	(87,931)	30,855	(22,211)	(314,576)	834,315
Total OPEB liability, beginning	4,178,041	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	\$ 4,402,449	\$ 4,178,041	\$ 3,989,678	\$ 4,384,841	\$ 4,472,772	\$ 4,441,917	\$ 4,464,128	\$ 4,778,704
Covered-employee payroll	\$ 91,601,695	\$ 87,881,713	\$ 76,610,358	\$ 73,471,503	\$ 62,532,773	\$ 62,732,418	\$ 61,873,578	\$ 65,765,292
Total OPEB liability as a percentage of covered-employee payroll	4.81%	4.75%	5.21%	5.97%	7.15%	7.08%	7.21%	7.72%

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%	2025	4.28%
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, 2025

	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	\$ 35,694,803	\$ -	\$ 35,694,803	\$ 35,963,162	\$ 35,963,162	\$ (268,359)
Delinquent property taxes	(102,322)	-	(102,322)	-	-	(102,322)
TIF revenues	347,950	-	347,950	418,000	375,000	(27,050)
Other taxes	15,141,916	-	15,141,916	14,981,591	15,285,591	(143,675)
Licenses and permits	1,243,773	24,300	1,268,073	1,612,051	1,562,801	(294,728)
Use of money and property	4,713,746	8,854,857	13,568,603	27,306,660	27,529,892	(13,961,289)
Intergovernmental	19,451,938	16,265,294	35,717,232	34,360,617	59,852,598	(24,135,366)
Charges for services	2,353,619	371,326,605	373,680,224	354,398,828	350,247,414	23,432,810
Special assessments	303,875	-	303,875	227,104	227,104	76,771
Miscellaneous	6,872,717	1,112,875	7,985,592	2,831,061	12,845,116	(4,859,524)
Other financing sources, including Transfers in	36,274,137	19,691,121	55,965,258	44,899,000	87,286,725	(31,321,467)
Transfers in	-	-	-	17,577,843	-	-
Total revenues and other financing sources	122,296,152	417,275,052	539,571,204	534,575,917	591,175,403	(51,604,199)
Expenditures and other financing uses:						
General government	3,442,608	-	3,442,608	4,002,688	4,404,001	961,393
Public safety	22,563,879	-	22,563,879	23,466,013	23,331,095	767,216
Public works	8,464,732	-	8,464,732	8,682,215	8,989,816	525,084
Health and social services	1,936,218	-	1,936,218	1,972,516	1,983,628	47,410
Culture and recreation	10,674,278	-	10,674,278	11,120,724	11,300,541	626,263
Community and economic development	6,992,682	-	6,992,682	5,343,010	9,356,964	2,364,282
Debt service	13,421,870	-	13,421,870	13,427,853	13,424,288	2,418
Capital outlay	36,458,299	-	36,458,299	33,382,258	73,262,739	36,804,440
Total governmental expenditures	103,954,566	-	103,954,566	101,397,277	146,053,072	42,098,506
Business-type expenditures	-	400,076,249	400,076,249	385,600,723	445,166,525	45,090,276
Total expenditures and other financing uses	103,954,566	400,076,249	504,030,815	486,998,000	591,219,597	87,188,782
Other financing uses	17,336,307	3,013,827	20,350,134	17,577,843	21,861,019	1,510,885
Total expenditures, other financing uses, and transfers out	121,290,873	403,090,076	524,380,949	504,575,843	613,080,616	88,699,667
Excess revenues and other financing sources over (under) expenditures, other financing uses, and transfers out	1,005,279	14,184,976	15,190,255	30,000,074	(21,905,213)	37,095,468
Fund balances, beginning	81,701,973	1,309,750,718	1,391,452,691	935,213,530	997,007,631	394,445,060
Fund balances, ending	\$ 82,707,252	\$ 1,323,935,694	\$ 1,406,642,946	\$ 965,213,604	\$ 975,102,418	\$ 431,540,528

See Notes to Required Supplementary Information

CITY OF AMES, IOWA
 BUDGETARY COMPARISON SCHEDULE
 BUDGET TO GAAP RECONCILIATION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Governmental Funds			Proprietary Funds		
	Budget Basis	Adjustments	Modified Accrual Basis	Budget Basis	Adjustments	Accrual Basis
Revenues and other financing sources	\$ 122,296,152	\$ (18,366,726)	\$ 103,929,426	\$ 417,275,052	\$ 32,626,185	\$ 449,901,237
Expenditures and other financing uses	121,290,873	(18,151,771)	103,139,102	403,090,076	(22,249,296)	380,840,780
Excess revenues and other financing sources over expenditures and other financing uses	1,005,279	(214,955)	790,324	14,184,976	54,875,481	69,060,457
Fund balances, beginning	81,701,973	1,129,561	82,831,534	1,309,750,718	(404,906,074)	904,844,644
Fund balances, ending	\$ 82,707,252	\$ 914,606	\$ 83,621,858	\$ 1,323,935,694	\$ (350,030,593)	\$ 973,905,101

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.

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.

2.0 Budgetary Information

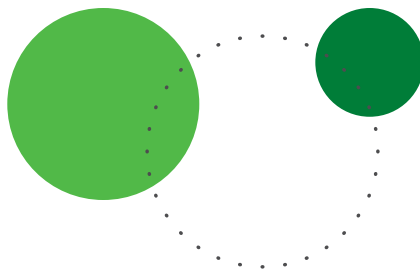
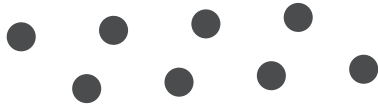
The budgetary comparison is presented as required supplementary information in accordance with Governmental Accounting Standards Board (GASB) Statement 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General 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 \$108,504,773. These amendments are reflected in the final budget amount.

SUPPLEMENTARY INFORMATION



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

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

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

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, 2025

	Non-Major Special Revenue Funds	Permanent Funds		Total Non-Major Governmental Funds
		Perpetual Care	Furman Aquatic Center Endowment	
ASSETS				
Cash and cash equivalents	\$ 5,561,671	\$ 36,529	\$ 228,219	\$ 5,826,419
Investments	24,501,782	1,147,392	933,648	26,582,822
Accrued interest receivable	10,014	-	4,038	14,052
Accounts receivable, net	1,147	197	-	1,344
Intergovernmental receivable	2,634,030	-	-	2,634,030
Loans receivable	311	-	-	311
Due from other funds	1,554,878	-	-	1,554,878
Inventories	210,967	-	-	210,967
Property held for resale	602,425	-	-	602,425
Prepaid items	3,278	-	-	3,278
Total assets	<u>\$ 35,080,503</u>	<u>\$ 1,184,118</u>	<u>\$ 1,165,905</u>	<u>\$ 37,430,526</u>
LIABILITIES				
Accounts payable	\$ 1,729,329	\$ -	\$ -	\$ 1,729,329
Accrued payroll	109,819	-	-	109,819
Retainage payable	229,906	-	-	229,906
Customer deposits	1,210,128	-	-	1,210,128
Intergovernmental payable	10,686	-	-	10,686
Due to other funds	1,574,586	51,553	-	1,626,139
Total liabilities	<u>4,864,454</u>	<u>51,553</u>	<u>-</u>	<u>4,916,007</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue:				
Grants	208,610	-	-	208,610
Total deferred inflows of resources	<u>208,610</u>	<u>-</u>	<u>-</u>	<u>208,610</u>
FUND BALANCES				
Nonspendable	214,245	1,132,565	1,000,000	2,346,810
Restricted	24,958,658	-	165,905	25,124,563
Committed	4,834,536	-	-	4,834,536
Total fund balances	<u>30,007,439</u>	<u>1,132,565</u>	<u>1,165,905</u>	<u>32,305,909</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 35,080,503</u>	<u>\$ 1,184,118</u>	<u>\$ 1,165,905</u>	<u>\$ 37,430,526</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, 2025

	<u>Permanent Funds</u>			
	<u>Non-Major Special Revenue Funds</u>	<u>Perpetual Care</u>	<u>Furman Aquatic Center Endowment</u>	
REVENUES				
Taxes	\$ 15,214,397	\$ -	\$ -	\$ 15,214,397
Intergovernmental	12,033,887	-	-	12,033,887
Charges for services	-	23,305	-	23,305
Fines and forfeitures	24,161	-	-	24,161
Investment income	144,973	-	58,671	203,644
Miscellaneous	1,161,671	-	-	1,161,671
Total revenues	<u>28,579,089</u>	<u>23,305</u>	<u>58,671</u>	<u>28,661,065</u>
EXPENDITURES				
Current:				
General government	19,058	-	-	19,058
Public safety	206,819	-	-	206,819
Public works	7,383,024	-	-	7,383,024
Health and social services	1,924,218	-	-	1,924,218
Culture and recreation	777,633	-	16,696	794,329
Community and economic development	6,135,751	-	-	6,135,751
Capital outlay	7,579,913	-	-	7,579,913
Total expenditures	<u>24,026,416</u>	<u>-</u>	<u>16,696</u>	<u>24,043,112</u>
Excess of revenues over expenditures	<u>4,552,673</u>	<u>23,305</u>	<u>41,975</u>	<u>4,617,953</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	373,200	-	-	373,200
Transfers out	(8,034,204)	-	-	(8,034,204)
Total other financing sources (uses)	<u>(7,661,004)</u>	<u>-</u>	<u>-</u>	<u>(7,661,004)</u>
Net change in fund balance	(3,108,331)	23,305	41,975	(3,043,051)
Fund balances, beginning	<u>33,115,770</u>	<u>1,109,260</u>	<u>1,123,930</u>	<u>35,348,960</u>
Fund balances, ending	<u>\$ 30,007,439</u>	<u>\$ 1,132,565</u>	<u>\$ 1,165,905</u>	<u>\$ 32,305,909</u>

CITY OF AMES, IOWA
 COMBINING BALANCE SHEET
 NON-MAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2025

	Local Option Tax	Hotel/ Motel Tax	Road Use Tax	Bike Licenses	Police Forfeiture & Grants	Police & Fire Donations	Animal Shelter Donations	Housing Assistance	CDBG
ASSETS									
Cash and cash equivalents	\$ 1,844,154	\$ 306,522	\$ 1,627,512	\$ -	\$ 27,628	\$ 871	\$ 118,890	\$ 69,410	\$ -
Investments	8,214,005	1,365,270	7,249,060	-	123,053	3,883	512,768	309,158	-
Accrued interest receivable	-	-	-	-	-	-	1,074	-	-
Accounts receivable, net	-	-	319	-	-	-	179	-	-
Intergovernmental receivable	1,167,504	-	725,678	-	13,471	-	-	5,787	511,590
Loans receivable	-	-	-	-	-	-	-	-	311
Due from other funds	50,953	326,572	1,174,350	-	338	-	-	2,395	270
Inventories	-	-	210,967	-	-	-	-	-	-
Property held for resale	-	-	-	-	-	-	-	-	602,425
Prepaid items	-	-	3,125	-	-	-	-	-	-
Total assets	<u>\$ 11,276,616</u>	<u>\$ 1,998,364</u>	<u>\$ 10,991,011</u>	<u>\$ -</u>	<u>\$ 164,490</u>	<u>\$ 4,754</u>	<u>\$ 632,911</u>	<u>\$ 386,750</u>	<u>\$ 1,114,596</u>
LIABILITIES									
Accounts payable	\$ 629,807	\$ 102,482	\$ 261,827	\$ -	\$ -	\$ -	\$ 6,810	\$ -	\$ 257,636
Accrued payroll	233	-	104,792	-	-	-	-	669	1,584
Retainage payable	21,695	-	42,355	-	-	-	-	-	18,825
Intergovernmental payable	-	-	1,526	-	-	-	1,800	-	-
Due to other funds	794,862	49,900	456,780	-	14	-	-	2,733	246,157
Total liabilities	<u>1,446,597</u>	<u>152,382</u>	<u>867,280</u>	<u>-</u>	<u>14</u>	<u>-</u>	<u>8,610</u>	<u>3,402</u>	<u>524,202</u>
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenue:									
Grants	-	-	-	-	8,610	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,610</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES									
Nonspendable	-	-	214,092	-	-	-	-	-	-
Restricted	9,830,019	1,845,982	9,909,639	-	155,866	4,754	624,301	-	590,394
Committed	-	-	-	-	-	-	-	383,348	-
Total fund balances	<u>9,830,019</u>	<u>1,845,982</u>	<u>10,123,731</u>	<u>-</u>	<u>155,866</u>	<u>4,754</u>	<u>624,301</u>	<u>383,348</u>	<u>590,394</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 11,276,616</u>	<u>\$ 1,998,364</u>	<u>\$ 10,991,011</u>	<u>\$ -</u>	<u>\$ 164,490</u>	<u>\$ 4,754</u>	<u>\$ 632,911</u>	<u>\$ 386,750</u>	<u>\$ 1,114,596</u>

CITY OF AMES, IOWA
 COMBINING BALANCE SHEET (continued)
 NON-MAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2025

	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
ASSETS										
Cash and cash equivalents	\$ -	\$ 121,724	\$ 702,588	\$ 101,127	\$ 4,085	\$ 5	\$ 280,897	\$ 100,322	\$ 255,936	\$ 5,561,671
Investments	-	474,823	3,129,383	414,182	18,199	27	1,244,273	446,843	996,855	24,501,782
Accrued interest receivable	-	2,684	-	1,850	-	-	190	-	4,216	10,014
Accounts receivable, net	-	-	-	-	649	-	-	-	-	1,147
Intergovernmental receivable	-	210,000	-	-	-	-	-	-	-	2,634,030
Loans receivable	-	-	-	-	-	-	-	-	-	311
Due from other funds	-	-	-	-	-	-	-	-	-	1,554,878
Inventories	-	-	-	-	-	-	-	-	-	210,967
Property held for resale	-	-	-	-	-	-	-	-	-	602,425
Prepaid items	-	-	-	153	-	-	-	-	-	3,278
Total assets	\$ -	\$ 809,231	\$ 3,831,971	\$ 517,312	\$ 22,933	\$ 32	\$ 1,525,360	\$ 547,165	\$ 1,257,007	35,080,503
LIABILITIES										
Accounts payable	\$ -	\$ 59,215	\$ 325,126	\$ 20,176	\$ -	\$ -	\$ 66,250	\$ -	\$ -	\$ 1,729,329
Accrued payroll	-	-	20	2,521	-	-	-	-	-	109,819
Retainage payable	-	5,465	141,566	-	-	-	-	-	-	229,906
Customer deposits	-	-	-	-	-	-	1,210,128	-	-	1,210,128
Intergovernmental payable	-	-	-	7,360	-	-	-	-	-	10,686
Due to other funds	-	20,155	3,777	208	-	-	-	-	-	1,574,586
Total liabilities	-	84,835	470,489	30,265	-	-	1,276,378	-	-	4,864,454
DEFERRED INFLOWS OF RESOURCES										
Unavailable revenue:										
Grants	-	200,000	-	-	-	-	-	-	-	208,610
Total deferred inflows of resources	-	200,000	-	-	-	-	-	-	-	208,610
FUND BALANCES										
Nonspendable	-	-	-	153	-	-	-	-	-	214,245
Restricted	-	-	-	486,894	4,820	-	248,982	-	1,257,007	24,958,658
Committed	-	524,396	3,361,482	-	18,113	32	-	547,165	-	4,834,536
Total fund balances	-	524,396	3,361,482	487,047	22,933	32	248,982	547,165	1,257,007	30,007,439
Total liabilities, deferred inflows of resources, and fund balances	\$ -	\$ 809,231	\$ 3,831,971	\$ 517,312	\$ 22,933	\$ 32	\$ 1,525,360	\$ 547,165	\$ 1,257,007	\$ 35,080,503

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, 2025

	Local Option Tax	Hotel/ Motel Tax	Road Use Tax	Bike Licenses	Police Forfeiture & Grants	Police & Fire Donations	Animal Shelter Donations	Housing Assistance	CDBG
REVENUES									
Taxes	\$ 11,838,478	\$ 3,027,969	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	9,407,574	-	41,675	-	-	1,948,389	542,708
Fines and forfeitures	-	-	-	-	24,161	-	-	-	-
Investment income	-	-	-	-	-	-	9,591	-	12
Miscellaneous	-	-	30	-	-	2,318	592,652	-	46,517
Total revenues	11,838,478	3,027,969	9,407,604	-	65,836	2,318	602,243	1,948,389	589,237
EXPENDITURES									
Current:									
General government	6,758	12,300	-	-	-	-	-	-	-
Public safety	-	-	-	-	79,803	6,059	120,957	-	-
Public works	-	-	7,383,024	-	-	-	-	-	-
Health and social services	1,904,943	-	-	-	-	-	-	-	-
Culture and recreation	341,038	-	-	-	-	-	-	-	-
Community and economic development	307,035	2,569,413	28,032	-	-	-	-	1,981,908	873,381
Capital outlay	3,072,026	89,875	1,500,174	10,026	-	-	-	-	-
Total expenditures	5,631,800	2,671,588	8,911,230	10,026	79,803	6,059	120,957	1,981,908	873,381
Excess (deficiency) of revenues over (under) expenditures	6,206,678	356,381	496,374	(10,026)	(13,967)	(3,741)	481,286	(33,519)	(284,144)
OTHER FINANCING SOURCES (USES)									
Transfers in	173,200	-	-	-	-	-	-	-	-
Transfers out	(7,243,087)	(443,000)	-	-	-	-	-	-	-
Total other financing sources (uses)	(7,069,887)	(443,000)	-	-	-	-	-	-	-
Net change in fund balances	(863,209)	(86,619)	496,374	(10,026)	(13,967)	(3,741)	481,286	(33,519)	(284,144)
Fund balances, beginning	10,693,228	1,932,601	9,627,357	10,026	169,833	8,495	143,015	416,867	874,538
Fund balances, ending	\$ 9,830,019	\$ 1,845,982	\$ 10,123,731	\$ -	\$ 155,866	\$ 4,754	\$ 624,301	\$ 383,348	\$ 590,394

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, 2025

	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
REVENUES										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 347,950	\$ 15,214,397
Intergovernmental	-	48,804	-	16,706	-	-	-	28,031	-	12,033,887
Fines and forfeitures	-	-	-	-	-	-	-	-	-	24,161
Investment income	173	33,538	-	26,837	-	-	2,723	-	72,099	144,973
Miscellaneous	-	200,659	-	295,297	24,198	-	-	-	-	1,161,671
Total revenues	173	283,001	-	338,840	24,198	-	2,723	28,031	420,049	28,579,089
EXPENDITURES										
Current:										
General government	-	-	-	-	-	-	-	-	-	19,058
Public safety	-	-	-	-	-	-	-	-	-	206,819
Public works	-	-	-	-	-	-	-	-	-	7,383,024
Health and social services	-	-	-	-	19,275	-	-	-	-	1,924,218
Culture and recreation	-	77,742	-	354,903	-	3,950	-	-	-	777,633
Community and economic development	-	-	-	-	-	-	-	28,032	347,950	6,135,751
Capital outlay	-	110,246	2,789,825	7,741	-	-	-	-	-	7,579,913
Total expenditures	-	187,988	2,789,825	362,644	19,275	3,950	-	28,032	347,950	24,026,416
Excess (deficiency) of revenues over (under) expenditures	173	95,013	(2,789,825)	(23,804)	4,923	(3,950)	2,723	(1)	72,099	4,552,673
OTHER FINANCING SOURCES (USES)										
Transfers in	-	200,000	-	-	-	-	-	-	-	373,200
Transfers out	(16,067)	-	-	-	-	-	-	-	(332,050)	(8,034,204)
Total other financing sources (uses)	(16,067)	200,000	-	-	-	-	-	-	(332,050)	(7,661,004)
Net change in fund balances	(15,894)	295,013	(2,789,825)	(23,804)	4,923	(3,950)	2,723	(1)	(259,951)	(3,108,331)
Fund balances, beginning	15,894	229,383	6,151,307	510,851	18,010	3,982	246,259	547,166	1,516,958	33,115,770
Fund balances, ending	\$ -	\$ 524,396	\$ 3,361,482	\$ 487,047	\$ 22,933	\$ 32	\$ 248,982	\$ 547,165	\$ 1,257,007	\$ 30,007,439

CITY OF AMES, IOWA
NON-MAJOR ENTERPRISE FUNDS

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

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

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

Transit Fund - to account for operations of transit services.

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

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

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

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

CITY OF AMES, IOWA
 COMBINING STATEMENT OF NET POSITION
 NON-MAJOR ENTERPRISE FUNDS
 JUNE 30, 2025

	Airport	Parking	Transit	Storm Water Utility	Ames / ISU Ice Arena	Homewood Golf Course	Resource Recovery	Total Non-Major Enterprise Funds
ASSETS								
Current assets:								
Cash and cash equivalents	\$ 831,121	\$ 310,044	\$ 5,185,539	\$ 1,919,400	\$ 87,413	\$ 212,298	\$ 282,647	\$ 8,828,462
Investments	2,507,976	1,113,081	19,356,169	7,044,589	293,311	777,884	1,153,238	32,246,248
Accrued interest receivable	7,893	4,877	86,645	30,709	1,410	3,364	4,594	139,492
Accounts receivable, net	29,870	8,666	209,353	222,021	48,753	95	336,650	855,408
Lease receivable - current	67,853	-	-	-	-	-	-	67,853
Due from other funds	-	-	5,968	84,634	73	4,534	75,327	170,536
Intergovernmental receivable	532,498	1,530	1,234,950	-	41,662	-	405,762	2,216,402
Inventories	-	27,123	361,527	-	-	-	-	388,650
Prepaid items	5,120	1,413	25,786	-	-	-	-	32,319
Total current assets	3,982,331	1,466,734	26,465,937	9,301,353	472,622	998,175	2,258,218	44,945,370
Noncurrent assets:								
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	2,277,551	11,639,612	274,898	127,581	172,379	27,531,282
Buildings	4,978,610	-	27,685,613	-	1,870,329	21,053	11,384,597	45,940,202
Equipment	16,920	-	39,788,607	36,858	348,212	26,373	8,051,683	48,268,653
Lease assets	-	-	-	-	-	52,316	-	52,316
Subscription based IT assets	-	-	16,975	-	-	-	-	16,975
Construction in progress	3,506,524	-	194,944	-	-	-	212,572	3,914,040
Less accumulated depreciation/amortization	(10,875,907)	(598,408)	(40,594,769)	(1,105,186)	(1,887,915)	(193,046)	(17,088,090)	(72,343,321)
Lease receivable - long term	1,128,917	-	-	-	-	-	-	1,128,917
Total noncurrent assets	12,554,905	935,677	29,410,421	11,304,667	605,524	227,527	3,264,658	58,303,379
Total assets	16,537,236	2,402,411	55,876,358	20,606,020	1,078,146	1,225,702	5,522,876	103,248,749
DEFERRED OUTFLOWS OF RESOURCES								
Deferred outflows related to OPEB	1,229	23,340	350,948	18,542	7,355	6,174	71,584	479,172
Deferred outflows related to pensions	4,678	57,185	1,122,666	39,235	26,442	17,084	135,185	1,402,475
Total deferred outflows of resources	5,907	80,525	1,473,614	57,777	33,797	23,258	206,769	1,881,647

CITY OF AMES, IOWA
 COMBINING STATEMENT OF NET POSITION (continued)
 NON-MAJOR ENTERPRISE FUNDS
 JUNE 30, 2025

	Airport	Parking	Transit	Storm Water Utility	Ames / ISU Ice Arena	Homewood Golf Course	Resource Recovery	Total Non-Major Enterprise Funds
LIABILITIES								
Current liabilities:								
Accounts payable	\$ 124,457	\$ 4,097	\$ 237,866	\$ 299,258	\$ 35,063	\$ 15,390	\$ 200,964	\$ 917,095
Accrued payroll	-	8,063	247,125	8,795	1,869	4,888	7,167	277,907
Accrued compensated absences	5,679	22,571	264,842	5,916	2,173	1,476	4,406	307,063
Accrued other post-employment benefits	149	1,847	36,348	1,374	989	622	4,489	45,818
Due to other funds	2,449	29,852	76,348	260,152	5,363	13,482	223,400	611,046
Retainage payable	144,401	-	9,842	20,120	-	-	-	174,363
Accrued interest	1,387	-	-	-	-	-	-	1,387
Lease liabilities	-	-	-	-	-	7,259	-	7,259
Subscription based IT asset liability	-	-	2,917	-	-	-	-	2,917
Intergovernmental payable	1,150	554	12,190	-	-	-	66,778	80,672
Accrued landfill post-closure costs	-	-	-	-	-	-	13,918	13,918
Bonds payable, net	46,774	-	-	-	-	-	-	46,774
Total current liabilities	326,446	66,984	887,478	595,615	45,457	43,117	521,122	2,486,219
Noncurrent liabilities:								
Accrued compensated absences	8,417	53,817	624,751	31,588	11,378	7,249	58,785	795,985
Accrued other post-employment benefits	1,507	46,023	577,042	34,855	12,773	10,525	143,916	826,641
Net pension liability	12,706	155,343	3,049,744	106,583	71,831	46,407	367,234	3,809,848
Accrued landfill post-closure costs	-	-	-	-	-	-	61,466	61,466
Bonds payable, net	510,817	-	-	-	-	-	-	510,817
Total noncurrent liabilities	533,447	255,183	4,251,537	173,026	95,982	64,181	631,401	6,004,757
Total liabilities	859,893	322,167	5,139,015	768,641	141,439	107,298	1,152,523	8,490,976
DEFERRED INFLOWS OF RESOURCES								
Deferred inflow related to leases	1,149,910	-	-	-	-	-	-	1,149,910
Deferred inflows related to OPEB	374	8,192	120,408	5,923	3,259	2,153	22,526	162,835
Deferred inflows related to pensions	24	289	5,687	198	134	87	684	7,103
	1,150,308	8,481	126,095	6,121	3,393	2,240	23,210	1,319,848
NET POSITION								
Net investment in capital assets	10,723,996	935,677	29,397,662	11,284,547	605,524	220,268	3,264,658	56,432,332
Unrestricted	3,808,946	1,216,611	22,687,200	8,604,488	361,587	919,154	1,289,254	38,887,240
Total net position	\$ 14,532,942	\$ 2,152,288	\$ 52,084,862	\$ 19,889,035	\$ 967,111	\$ 1,139,422	\$ 4,553,912	\$95,319,572

CITY OF AMES, IOWA
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 NON-MAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2025

	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	\$ 206,946	\$ 842,008	\$ 7,287,587	\$ 1,997,093	\$ 663,072	\$ 571,018	\$ 4,663,515	\$ 16,231,239
Operating expenses:								
Cost of goods and services	194,347	791,999	11,693,941	1,446,853	570,076	348,295	4,217,067	19,262,578
Administration	-	-	2,706,536	-	-	-	166,193	2,872,729
Depreciation	523,811	2,645	2,927,074	234,162	106,178	19,322	369,714	4,182,906
Total operating expenses	718,158	794,644	17,327,551	1,681,015	676,254	367,617	4,752,974	26,318,213
Operating income (loss)	(511,212)	47,364	(10,039,964)	316,078	(13,182)	203,401	(89,459)	(10,086,974)
Non-operating revenues (expenses):								
Intergovernmental	66,723	-	6,093,225	-	-	-	-	6,159,948
Reimbursements	(1,675)	209	55,651	-	-	-	-	54,185
Investment income	131,176	71,321	1,177,880	425,377	19,672	43,939	50,500	1,919,865
Interest revenue (expense)	(16,107)	-	(160)	-	-	(481)	11,046	(5,702)
Loss on disposal of capital assets	-	-	(11,116)	(92,728)	-	-	-	(103,844)
Miscellaneous	-	555	35,915	98,000	224	-	1,834	136,528
Total non-operating revenues	180,117	72,085	7,351,395	430,649	19,896	43,458	63,380	8,160,980
Income (loss) before capital contributions and transfers	(331,095)	119,449	(2,688,569)	746,727	6,714	246,859	(26,079)	(1,925,994)
Capital contributions	2,464,853	-	307,920	-	40,000	20,673	-	2,833,446
Transfers in	-	10,000	2,166,443	-	40,000	-	592,484	2,808,927
Transfers out	(7,990)	-	-	-	-	-	(1)	(7,991)
Change in net position	2,125,768	129,449	(214,206)	746,727	86,714	267,532	566,404	3,708,388
Net position, beginning of year, as previously presented	12,411,400	2,039,187	52,494,146	19,146,901	881,538	872,546	3,987,508	91,833,226
Restatements	(4,226)	(16,348)	(195,078)	(4,593)	(1,141)	(656)	-	(222,042)
Net position, beginning, as restated	12,407,174	2,022,839	52,299,068	19,142,308	880,397	871,890	3,987,508	91,611,184
Net position, end of year	\$ 14,532,942	\$ 2,152,288	\$ 52,084,862	\$ 19,889,035	\$ 967,111	\$ 1,139,422	\$ 4,553,912	\$ 95,319,572

CITY OF AMES, IOWA
 COMBINING STATEMENT OF CASH FLOWS
 NON-MAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2025

	Airport	Parking	Transit	Storm Water Utility	Ames / ISU Ice Arena	Homewood Golf Course	Resource Recovery	Total Non-Major Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES								
Receipts from customers	\$ 421,614	\$ 847,570	\$ 7,246,372	\$ 1,942,358	\$ 628,988	\$ 567,854	\$ 4,696,124	\$ 16,350,880
Payments to suppliers	(72,916)	(116,749)	(3,589,926)	(593,577)	(233,700)	(100,258)	(2,077,601)	(6,784,727)
Payments to employees	(47,615)	(576,306)	(10,966,728)	(434,323)	(294,995)	(189,267)	(1,472,172)	(13,981,406)
Payments to other funds for services provided	(47,124)	(194,487)	(781,270)	(192,918)	(45,566)	(42,569)	(847,226)	(2,151,160)
Net cash provided by (used for) operating activities	253,959	(39,972)	(8,091,552)	721,540	54,727	235,760	299,125	(6,566,413)
CASH FLOW FROM NON-CAPITAL FINANCING ACTIVITIES								
Operating grants	66,723	-	6,093,225	-	-	-	-	6,159,948
Reimbursements	(1,675)	209	55,651	-	-	-	-	54,185
Miscellaneous income	-	555	35,913	98,000	224	-	1,834	136,526
Transfers in	-	10,000	2,166,443	-	40,000	-	592,484	2,808,927
Transfers out	(7,990)	-	-	-	-	-	(1)	(7,991)
Net cash provided by (used for) non-capital financing activities	57,058	10,764	8,351,232	98,000	40,224	-	594,317	9,151,595
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
Acquisition and construction of capital assets	(2,402,091)	-	(1,151,957)	(274,051)	(141,424)	(15,169)	(277,520)	(4,262,212)
Principal paid on capital debt	(45,000)	-	-	-	-	-	(107,773)	(152,773)
Interest paid on capital debt	(17,994)	-	-	-	-	-	(5,389)	(23,383)
Interest paid on leases	-	-	(160)	-	-	(481)	-	(641)
Capital contributions	2,392,153	-	307,920	-	40,000	-	-	2,740,073
Net cash capital and related financing activities	(72,932)	-	(844,197)	(274,051)	(101,424)	(15,650)	(390,682)	(1,698,936)
CASH FLOWS FROM INVESTING ACTIVITIES								
Purchase of investments	(2,727,570)	(1,210,540)	(21,050,956)	(7,661,400)	(318,992)	(845,994)	(1,254,213)	(35,069,665)
Proceeds from sale of investments	2,439,244	1,181,957	20,509,134	6,898,180	313,679	638,693	795,264	32,776,151
Interest on investments	135,411	71,672	1,181,176	424,605	19,874	43,235	49,392	1,925,365
Net cash provided by investing activities	(152,915)	43,089	639,354	(338,615)	14,561	(164,066)	(409,557)	(368,149)
Net increase (decrease) in cash and cash equivalents	85,170	13,881	54,837	206,874	8,088	56,044	93,203	518,097
Cash and cash equivalents, beginning	745,951	296,163	5,130,702	1,712,526	79,325	156,254	189,444	8,310,365
Cash and cash equivalents, ending	\$ 831,121	\$ 310,044	\$ 5,185,539	\$ 1,919,400	\$ 87,413	\$ 212,298	\$ 282,647	\$ 8,828,462

CITY OF AMES, IOWA
 COMBINING STATEMENT OF CASH FLOWS (continued)
 NON-MAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2025

	Airport	Parking	Transit	Storm Water Utility	Ames / ISU Ice Arena	Homewood Golf Course	Resource Recovery	Total Non-Major Enterprise Funds
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:								
Operating income (loss)	\$ (511,212)	\$ 47,364	\$ (10,039,964)	\$ 316,078	\$ (13,182)	\$ 203,401	\$ (89,459)	\$ (10,086,974)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:								
Depreciation expense	523,811	2,645	2,927,074	234,162	106,178	19,322	369,714	4,182,906
Change in accounts receivable	6,809	672	(130,179)	1,190	5,377	(95)	(43,350)	(159,576)
Change in leases receivable	61,930	-	-	-	-	-	-	61,930
Change in due from other funds	6,856	6,420	(5,058)	(56,100)	2,201	(3,069)	17,640	(31,110)
Change in intergovernmental receivable	217,409	(1,530)	94,022	175	(41,662)	-	58,319	326,733
Change in inventories	-	(8,144)	21,142	-	3,375	2,108	-	18,481
Change in prepaid items	(252)	(1,413)	81,290	-	-	-	-	79,625
Change in deferred outflows of resources	(4,143)	26,164	583,381	(8,339)	10,108	8,507	118,854	734,532
Change in accounts payable	7,009	6	(656,923)	33,700	20,767	4,005	66,899	(524,537)
Change in accrued payroll	(78)	(1,012)	45,149	2,695	(699)	222	3,165	49,442
Change in accrued compensated absences	2,699	7,999	91,273	(25)	4,812	1,408	(3,616)	104,550
Change in due to other funds	997	5,234	(2,243)	190,268	2,187	10,255	79,403	286,101
Changes in intergovernmental payable	(73)	131	1,924	(1,579)	(1,207)	(3,329)	60,402	56,269
Changes accrued landfill post-closure costs	-	-	-	-	-	-	(10,129)	(10,129)
Changes post-employment benefits	(200)	(2,486)	(48,922)	(1,849)	(1,331)	(837)	(6,043)	(61,668)
Changes in pension liability	20,624	(126,955)	(1,150,587)	16,565	(42,422)	(7,788)	(334,645)	(1,625,208)
Changes in deferred inflows of resources	(78,227)	4,933	97,069	(5,401)	225	1,650	11,971	32,220
Total adjustments	765,171	(87,336)	1,948,412	405,462	67,909	32,359	388,584	3,520,561
Net cash provided by (used for) operating activities	\$ 253,959	\$ (39,972)	\$ (8,091,552)	\$ 721,540	\$ 54,727	\$ 235,760	\$ 299,125	\$ (6,566,413)

Schedule of non-cash capital and related financing activities:

Acquisition of capital assets through retainage payable	\$ (144,401)	\$ -	\$ (9,842)	\$ (20,120)	\$ -	\$ -	\$ -	\$ (174,363)
Capital asset contributions	72,700	-	-	-	-	20,673	-	93,373

CITY OF AMES, IOWA
INTERNAL SERVICE FUNDS

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

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

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

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, 2025

	Fleet Services	Information Technology	Risk Management	Health Insurance	Total Internal Service Funds
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 3,109,828	\$ 836,907	\$ 801,733	\$ 1,718,679	\$ 6,467,147
Investments	11,832,400	3,434,511	3,293,614	6,875,762	25,436,287
Accrued interest receivable	51,806	14,728	14,391	28,553	109,478
Accounts receivable, net	39,980	3,000	13,624	232,608	289,212
Due from other funds	1,084,564	28,499	-	4,915	1,117,978
Intergovernmental receivable	3,000	56,998	-	-	59,998
Inventories	91,460	-	-	-	91,460
Prepaid items	3,203	162,398	-	-	165,601
Total current assets	<u>16,216,241</u>	<u>4,537,041</u>	<u>4,123,362</u>	<u>8,860,517</u>	<u>33,737,161</u>
Noncurrent assets:					
Capital assets:					
Buildings	1,148,632	17,050	-	-	1,165,682
Equipment	24,274,477	2,935,659	-	-	27,210,136
Less accumulated depreciation/amortization	(13,199,362)	(2,157,269)	-	-	(15,356,631)
Total noncurrent assets	<u>12,223,747</u>	<u>795,440</u>	<u>-</u>	<u>-</u>	<u>13,019,187</u>
Total assets	<u>28,439,988</u>	<u>5,332,481</u>	<u>4,123,362</u>	<u>8,860,517</u>	<u>46,756,348</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to OPEB	43,432	42,452	5,435	6,772	98,091
Deferred outflows related to pensions	98,581	49,290	15,689	18,641	182,201
Total deferred outflows of resources	<u>142,013</u>	<u>91,742</u>	<u>21,124</u>	<u>25,413</u>	<u>280,292</u>
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 751,120	\$ 119,920	\$ 29,042	\$ 135,173	\$ 1,035,255
Accrued payroll	20,069	855	-	-	20,924
Accrued compensated absences	21,358	45,941	974	625	68,898
Accrued other post-employment benefits	3,156	3,332	570	629	7,687
Due to other funds	92,136	12,359	736	28,467	133,698
Claims payable	-	-	1,780,247	773,877	2,554,124
Intergovernmental payable	48,875	210	-	3,744	52,829
Total current liabilities	<u>936,714</u>	<u>182,617</u>	<u>1,811,569</u>	<u>942,515</u>	<u>3,873,415</u>
Noncurrent liabilities:					
Accrued compensated absences	68,616	90,453	10,739	7,015	176,823
Accrued other post-employment benefits	94,798	87,446	8,254	12,166	202,664
Net pension liability	267,797	133,898	42,622	50,639	494,956
Total noncurrent liabilities	<u>431,211</u>	<u>311,797</u>	<u>61,615</u>	<u>69,820</u>	<u>874,443</u>
Total liabilities	<u>1,367,925</u>	<u>494,414</u>	<u>1,873,184</u>	<u>1,012,335</u>	<u>4,747,858</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to OPEB	16,393	15,609	1,742	2,393	36,137
Deferred inflows related to pensions	499	250	79	94	922
Total deferred inflows of resources	<u>16,892</u>	<u>15,859</u>	<u>1,821</u>	<u>2,487</u>	<u>37,059</u>
NET POSITION					
Net investment in capital assets	12,223,747	795,440	-	-	13,019,187
Unrestricted	14,973,437	4,118,510	2,269,481	7,871,108	29,232,536
Total net position	<u>\$ 27,197,184</u>	<u>\$ 4,913,950</u>	<u>\$ 2,269,481</u>	<u>\$ 7,871,108</u>	<u>\$ 42,251,723</u>

CITY OF AMES, IOWA
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2025

	Fleet Services	Information Technology	Risk Management	Health Insurance	Total Internal Service Funds
Operating revenues:					
Charges for services	\$ 5,166,100	\$ 3,467,405	\$ 3,340,313	\$ 13,338,366	\$ 25,312,184
Operating expenses:					
Cost of goods and services	2,535,478	2,915,705	3,607,932	13,508,324	22,567,439
Depreciation	1,550,327	230,591	-	-	1,780,918
Total operating expenses	4,085,805	3,146,296	3,607,932	13,508,324	24,348,357
Operating income (loss)	1,080,295	321,109	(267,619)	(169,958)	963,827
Non-operating revenues (expenses):					
Investment income	730,388	175,153	150,189	412,225	1,467,955
Interest (expense)	-	(4,316)	-	-	(4,316)
Gain on disposal of capital assets	86,805	-	-	-	86,805
Miscellaneous	128	3,669	-	13,474	17,271
Total non-operating revenues	817,321	174,506	150,189	425,699	1,567,715
Income before transfers	1,897,616	495,615	(117,430)	255,741	2,531,542
Change in net position	1,897,616	495,615	(117,430)	255,741	2,531,542
Net position, beginning of year, as presented	25,312,924	4,454,916	2,386,911	7,615,367	39,770,118
Restatements	(13,356)	(36,581)	-	-	(49,937)
Net position, beginning, as restated	25,299,568	4,418,335	2,386,911	7,615,367	39,720,181
Net position, ending of year	\$ 27,197,184	\$ 4,913,950	\$ 2,269,481	\$ 7,871,108	\$ 42,251,723

CITY OF AMES, IOWA
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2025

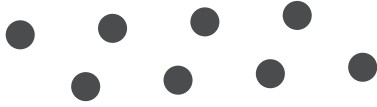
	Fleet Services	Information Technology	Risk Management	Health Insurance	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 4,467,382	\$ 3,430,895	\$ 3,340,413	\$ 13,163,179	\$ 24,401,869
Payments to suppliers	(505,748)	(1,227,235)	(3,171,376)	(13,180,552)	(18,084,911)
Payments to employees	(1,051,491)	(1,036,633)	(164,493)	(193,415)	(2,446,032)
Payments/receipts to other funds for services provided	(377,602)	(656,113)	(10,110)	7,571	(1,036,254)
Net cash provided by (used for) operating activities	<u>2,532,541</u>	<u>510,914</u>	<u>(5,566)</u>	<u>(203,217)</u>	<u>2,834,672</u>
CASH FLOW FROM NON-CAPITAL FINANCING ACTIVITIES					
Miscellaneous income	128	3,669	-	13,474	17,271
Net cash provided by non-capital financing activities	<u>128</u>	<u>3,669</u>	<u>-</u>	<u>13,474</u>	<u>17,271</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(2,825,876)	(96,007)	-	-	(2,921,883)
Interest paid on leases/subscriptions	-	(4,316)	-	-	(4,316)
Proceeds from the sale of capital assets	114,775	-	-	-	114,775
Net cash used for capital and related financing activities	<u>(2,711,101)</u>	<u>(100,323)</u>	<u>-</u>	<u>-</u>	<u>(2,811,424)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investments	(12,868,422)	(3,735,231)	(3,581,997)	(7,477,791)	(27,663,441)
Proceeds from sale of investments	12,342,456	3,194,517	3,392,316	7,178,760	26,108,049
Interest on investments	731,558	174,563	150,720	414,246	1,471,087
Net cash provided by (used for) investing activities	<u>205,592</u>	<u>(366,151)</u>	<u>(38,961)</u>	<u>115,215</u>	<u>(84,305)</u>
Net increase (decrease) in cash and cash equivalents	27,160	48,109	(44,527)	(74,528)	(43,786)
Cash and cash equivalents, beginning	3,082,668	788,798	846,260	1,793,207	6,510,933
Cash and cash equivalents, ending	<u>\$ 3,109,828</u>	<u>\$ 836,907</u>	<u>\$ 801,733</u>	<u>\$ 1,718,679</u>	<u>\$ 6,467,147</u>

CITY OF AMES, IOWA
 COMBINING STATEMENT OF CASH FLOWS (continued)
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2025

	Fleet Services	Information Technology	Risk Management	Health Insurance	Total Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:					
Operating income (loss)	\$ 1,080,295	\$ 321,109	\$ (267,619)	\$ (169,958)	\$ 963,827
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation expense	1,550,327	230,591	-	-	1,780,918
Change in accounts receivable	1,350	(3,000)	100	(170,354)	(171,904)
Change in due from other funds	(701,174)	(11,170)	-	(4,833)	(717,177)
Change in intergovernmental receivable	1,106	(22,340)	-	-	(21,234)
Change in inventories	9,747	-	-	-	9,747
Change in prepaid items	2,409	(17,954)	-	-	(15,545)
Change in deferred outflows of resources	39,627	83,392	4,541	2,926	130,486
Change in accounts payable	568,997	111,761	8,125	(32,853)	656,030
Change in accrued payroll	3,683	(269)	-	(594)	2,820
Change in accrued compensated absences	23,975	7,169	2,182	2,078	35,404
Change in due to other funds	61,727	(280)	(1,447)	18,017	78,017
Change in claims payable	-	-	270,535	162,156	432,691
Change in intergovernmental payable	16,446	210	-	3,744	20,400
Change in post-employment benefits	(4,247)	(4,485)	(767)	(847)	(10,346)
Change in pension liability	(130,160)	(192,447)	(2,850)	(10,878)	(336,335)
Change in deferred inflows of resources	8,433	8,627	(18,366)	(1,821)	(3,127)
Total adjustments	1,452,246	189,805	262,053	(33,259)	1,870,845
Net cash provided by (used for) operating activities	\$ 2,532,541	\$ 510,914	\$ (5,566)	\$ (203,217)	\$ 2,834,672

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STATISTICAL SECTION



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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.

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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>	138
Revenue Capacity <i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	144
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>	148
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>	154
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>	156

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities										
Net investment in capital assets	\$ 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	\$ 189,320,394
Restricted	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	40,001,332
Unrestricted	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	18,908,748
Total governmental activities	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	248,230,474
Business-type activities										
Net investment in capital assets	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	373,859,626
Restricted	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	1,910,697
Unrestricted	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	611,468,432
Total business-type activities	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	987,238,755
Primary government										
Net investment in capital assets	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	563,180,020
Restricted	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	41,912,029
Unrestricted	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	630,377,180
Total primary government	\$ 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	\$ 1,235,469,229

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities:										
General government	\$ 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	\$ 3,625,698
Public safety	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	22,400,129
Public works	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	23,020,648
Health and social services	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	1,936,265
Culture and recreation	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	12,496,616
Community and economic developmen	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	7,176,726
Interest	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	2,096,841
Total governmental activities	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	72,752,923
Business-type activities:										
Mary Greeley Medical Center	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	264,318,209
Electric	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	67,482,511
Sewer	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	9,196,492
Water	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	14,954,847
Airport	-	-	-	-	-	-	971,080	682,709	799,305	731,600
Parking	900,939	887,679	891,229	975,126	999,414	842,179	757,891	825,546	840,459	778,488
Transit	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	17,383,248
Stormwater	557,890	1,231,885	420,171	270,883	796,588	662,387	840,274	1,397,657	1,606,163	1,753,416
Ice arena	605,291	602,774	651,714	650,947	665,247	557,566	540,335	596,755	762,662	672,445
Golf course	243,309	258,459	227,798	254,380	215,211	253,985	266,379	281,547	330,949	361,743
Resource recovery	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	4,675,735
Total business-type activities	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	382,308,734
Total expenses	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	455,061,657
Program revenues										
Governmental activities:										
Charges for services:										
General government	172,126	203,609	158,792	123,407	116,999	65,793	106,659	163,714	261,278	195,737
Public safety	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	3,922,328
Public works	277,437	268,565	2,737,534	310,035	314,576	310,887	119,170	62,722	31,634	44,651
Culture and recreation	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	1,912,073
Other activities	24,615	25,660	21,132	15,082	17,650	17,728	22,680	18,425	4,504	12,000
Operating grants and contributions	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	14,310,172
Capital grants and contributions	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	4,118,793
Total governmental activities	\$ 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	\$ 24,515,754

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Business-type activities:										
Charges for services										
Mary Greeley Medical Center	\$ 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	\$ 268,678,523
Electric	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	68,319,772
Sewer	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	12,227,805
Water	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	13,918,628
Airport	-	-	-	-	-	-	244,473	196,590	327,291	206,946
Parking	925,177	899,705	829,993	1,011,601	797,454	677,293	952,298	787,312	862,948	842,008
Transit	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	7,287,587
Stormwater	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	1,997,093
Ice arena	544,300	481,831	504,884	475,197	444,262	382,917	529,289	548,860	524,805	663,072
Golf course	268,440	191,186	184,601	179,367	150,549	232,826	348,492	450,887	529,749	571,018
Resource recovery	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	4,663,514
Operating grants and contributions	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	6,961,797
Capital grants and contributions	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	6,934,152
Total business-type activities	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	393,271,915
Total program revenues	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	417,787,667
Net (expense) / revenue										
Governmental activities	(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)	(48,237,171)
Business-type activities	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	10,963,181
Total net (expense) / revenue	\$ 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)	\$ (37,273,990)

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General revenues										
Governmental activities:										
Taxes										
Property taxes	\$ 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	\$ 36,774,390
Sales taxes	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	11,838,478
Hotel / motel taxes	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	3,027,969
Unrestricted grants and contributions	20,527	20,565	22,146	23,589	54,366	21,126	16,152	5,203	42,236	-
Investment income	699,289	211,126	689,377	2,190,478	2,177,884	436,298	(1,582,910)	2,068,855	5,775,114	6,016,972
Other income	450,340	251,997	1,214,979	759,997	602,881	595,001	58,780	4,347,957	483,821	5,360,321
Gain on disposal of assets	140,825	118,389	6,039	-	-	(105,678)	16,239	43,087	94,073	82,489
Transfers	(13,399)	(465,996)	(1,604,405)	(222,839)	(376,965)	(1,036,017)	(965,845)	(409,629)	(2,278,212)	(379,391)
Total governmental activities	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	62,721,228
Business-type activities:										
Investment income	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	56,494,690
Other income	40,083	417,879	427,961	337,470	647,271	3,786,658	3,744,892	4,364,976	1,340,362	1,442,269
Gain(loss) on disposal of assets	-	48,479	12,078	8,354	-	(285,055)	-	(110,078)	25,071	63,934
Transfers	13,399	465,996	1,604,405	222,839	376,965	1,036,017	965,845	409,629	2,278,212	379,391
Total business-type activities	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	58,380,284
Total primary government	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	121,101,512
Change in net position										
Governmental activities	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	14,484,057
Business-type activities	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	69,343,465
Total change in net position	\$ 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	\$ 83,827,522

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General fund										
Nonspendable	\$ 141,713	\$ 172,236	\$ 237,381	\$ 240,990	\$ 240,978	\$ 198,600	\$ 164,992	215,405	\$ 200,228	\$ 180,674
Assigned	725,077	809,033	580,004	402,312	283,809	548,738	1,835,107	1,822,619	1,238,509	842,098
Unassigned	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	13,515,903
Total general fund	<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>	<u>\$ 14,538,675</u>
All other governmental funds										
Nonspendable	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	2,346,810
Restricted	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	61,267,000
Committed	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	6,874,261
Assigned	71,393	-	-	-	-	-	-	-	-	-
Unassigned	(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)	(1,404,888)
Total all other governmental funds	<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>	<u>\$ 69,083,183</u>

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
REVENUES										
Taxes	\$ 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	\$ 51,640,837
Special assessments	222,895	298,227	564,860	321,318	303,643	244,640	250,101	239,370	241,098	303,875
Licenses and permits	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	1,282,702
Intergovernmental	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	16,730,124
Charges for services	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	4,664,209
Fines and forfeitures	93,652	67,584	65,504	43,614	28,276	29,083	30,690	34,741	40,879	1,475,818
Investment income	529,364	169,673	530,341	1,598,321	1,579,072	309,365	(1,165,866)	1,632,854	4,369,025	4,525,899
Interest revenue	-	-	-	-	-	-	23,510	23,424	23,294	23,118
Miscellaneous	852,639	930,506	1,856,014	1,231,347	1,064,583	595,063	348,975	4,347,961	478,627	5,367,249
Total revenues	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	86,013,831
EXPENDITURES										
Current:										
General government	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	3,638,630
Public safety	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	22,564,879
Public works	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	8,464,732
Health and social services	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	1,936,218
Culture and recreation	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	10,674,278
Community and economic development	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	7,199,431
Debt service:										
Principal	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	9,818,693
Interest and fiscal charges	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	3,018,887
Capital outlay	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	36,261,298
Total expenditures	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	103,577,046
Excess (deficiency) of revenues over (under) expenditures	(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)	(17,563,215)
OTHER FINANCING SOURCES (USES)										
Transfers in	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	13,658,668
Transfers out	(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)	(14,038,059)
General obligation bonds issued	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	17,495,000
Premium on general obligation bonds	901,045	475,349	602,484	610,152	1,025,738	1,249,757	1,283,972	827,311	681,309	1,237,930
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)	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	18,353,539
Net change in fund balances	\$ (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	\$ 790,324
Debt service as a percentage of non-capital expenditures	28.2%	24.2%	20.1%	19.6%	19.8%	31.4%	30.9%	17.2%	18.5%	17.7%

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-Residential¹	Other Property¹	Less: Military Tax Exemption	Total Taxable Value	Total Direct Tax Rate	Estimated Actual Assessed Value	Taxable Value as a Percentage of Estimated Actual Assessed Value
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	10.2010	5,541,171,438	61.48%
2025	2,461,222,098	1,035,801,105	160,211,162	20,715,299	-	-	3,918,520	3,656,669,644	10.0945	6,561,140,157	55.73%

Source: Story County Auditor

¹ 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				Total Direct Tax Rate ³	Overlapping Rates ¹			Total Direct & Overlapping Rates
	General ²	Public Transit	Employee Benefits	Debt Service		Ames School District ⁴	Consolidated County ⁵	Area Vocational ⁶	
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	5.52509	0.62811	0.67923	3.19314	10.02557	14.34142	6.50310	0.65249	31.52258
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	0.60552	-	3.25407	10.20097	13.93640	5.90384	0.74410	30.78531
2025	6.21704	0.59608	-	3.28134	10.09446	14.00913	5.78289	0.75916	30.64564

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

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

³ City Council sets the rate.

⁴ School district board of education sets the rate.

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

⁶ Area community college sets the rate.

Source: Story County Auditor

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

Taxpayer	2025			2016		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
Iowa State University Research Park	\$ 67,313,728	1	1.84%	\$ 35,173,530	1	1.44%
Barilla America Inc.	49,658,684	2	1.36%	32,579,100	2	1.33%
Clinic Building Company, Inc.	36,184,200	3	0.99%	19,397,610	4	0.79%
Campus Investors IS LLC	28,714,688	4	0.79%	31,609,753	3	1.29%
Bricktowne Ames LC	25,138,427	5	0.69%			
Spirit Realty LP	23,691,218	6	0.65%			
FPA6 University West LLC	21,332,151	7	0.58%			
Dayton Park LLC	21,321,844	8	0.58%	16,479,445	7	0.67%
Wal-Mart Stores, Inc.	19,038,994	9	0.52%	17,100,000	6	0.70%
Midwest Centers LP	18,637,684	10	0.51%			
US Bank, NA Trustee				19,019,520	5	0.78%
GPT Ames Owner LLC				15,549,300	8	0.64%
West Towne Condos, LLC				14,398,364	9	0.59%
University West Property Owner LLC				14,194,195	10	0.58%
	<u>\$ 311,031,618</u>		<u>8.51%</u>	<u>\$ 215,500,817</u>		<u>8.81%</u>

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		Total Collections to Date	
		Amount Collected	Percentage of Levy	Amount Collected	Percentage of Levy
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%
2025	36,057,203	35,208,981	97.65%	35,208,981	97.65%

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 ²	Population ³	Per Capita
	General Obligation Bonds ¹	Lease Liability	Subscription Liability	General Obligation Bonds ¹	Revenue Bonds ¹	Lease Liability	Subscription Liability	Loans Payable				
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	16,266	584,031	2,903,734	94,335,613	1,203,747	946,672	60,876,173	229,548,455	10.75	66,427	3,456
2024	70,875,498	104,214	385,417	2,208,746	86,801,547	1,240,766	1,654,560	66,806,214	230,076,962	11.15	66,427	3,464
2025	78,887,401	51,893	101,572	1,650,772	78,074,508	666,434	2,346,219	79,287,231	241,066,030	10.89	66,427	3,629

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

² Personal income is presented on page 154

³ United States Census Bureau

CITY OF AMES, IOWA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds¹	Less: Amounts Available in Debt Service Fund²	Total	Percentage of Estimated Actual Assessed Value of Property³	Per Capita⁴
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
2025	80,538,173	3,834,328	76,703,845	1.17%	1,155

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

² Amount restricted for debt service payments

³ See page 144 for property value data

⁴ See page 154 for population data

CITY OF AMES, IOWA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITES DEBT
AS OF JUNE 30, 2025

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Amount Applicable to Primary Government
Debt repaid with property taxes:			
Ames Community School District	\$ 63,905,000	98.31%	\$ 62,825,006
Gilbert Community School District	34,760,000	50.59%	17,585,084
Des Moines Area Community College ¹	16,000,000	5.31%	849,600
Nevada Community School District	6,293,000	0.22%	13,845
United Community School District	890,000	2.98%	26,522
Story County	2,397,817	57.92%	1,388,816
Other debt:			
Ames Community School District revenue bonds	1,349,800	98.31%	1,326,988
Gilbert Community School District revenue bonds	3,930,000	50.59%	1,988,187
Des Moines Area Community College revenue bonds	-	5.31%	-
Nevada Community School District revenue bonds	5,923,000	0.22%	13,031
United Community School District revenue bonds	1,685,000	2.98%	50,213
Story County	-	57.92%	-
Subtotal, overlapping debt			86,067,292
City direct debt			79,040,866
Total direct and overlapping debt			\$165,108,158

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

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

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

CITY OF AMES, IOWA
 LEGAL DEBT MARGIN
 JUNE 30, 2025

Legal debt margin for the fiscal year ended June 30, 2025:

Assessed value	<u>\$ 6,561,140,157</u>
Debt limit (5% of actual value)	\$ 328,057,008
Debt applicable to limit:	
General obligation bonds	<u>74,205,000</u>
Legal debt margin	<u>\$ 253,852,008</u>
Percentage of net debt margin available	<u>77.38%</u>
Percentage of net debt margin exhausted	<u>22.62%</u>

Year	Debt Limit	Outstanding Debt	Percentage of Net Debt Margin Available
2025	\$ 328,057,008	\$ 74,205,000	77.38%
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%

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

Hospital Revenue Bond

Fiscal Year	Gross Revenues ³	Less: Operating Expenses	Net Available Revenue	Debt Service ¹		Coverage
				Principal	Interest	
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
2025	268,678,523	238,387,344	30,291,179	7,215,000	2,768,346	3.03

Electric Revenue Bond

Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
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
2025	68,319,772	61,364,962	6,954,810	895,000	71,213	7.20

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 ²		Coverage
				Principal ⁴	Interest	
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
2025	12,227,805	6,799,850	5,427,955	1,019,022	455,180	3.68

Water Capital Loan Note

Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
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
2025	13,918,628	8,485,402	5,433,226	3,402,931	1,018,632	1.23

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

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

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

⁴ 2021 contains loan forgiveness for meeting Iowa Finance Authority building standards.

CITY OF AMES, IOWA
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN CALENDAR YEARS

Calendar Year	Population¹	Per Capita Personal Income¹	Personal Income	School Enrollment²	Unemployment Rate³
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
2025	66,427	33,314	2,212,949,078	4,534	3.2

¹ United States Census Bureau

² Ames School District

³ Iowa Workforce Development

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

Employer	2025			2016		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Iowa State University	16,116	1	23.52%	16,647	1	29.11%
Mary Greeley Medical Center	1,589	2	2.32%	1,309	3	2.29%
Danfoss Corp.	1,180	3	1.72%	921	6	1.61%
City of Ames	1,015	4	1.48%	1,358	2	2.37%
Iowa Department of Transportation	975	5	1.42%	962	4	1.68%
USDA	750	6	1.09%			
McFarland Clinic, P.C.	675	4	0.98%	927	5	1.62%
Ames Community School District	650	8	0.95%	635	8	1.11%
Workiva	550	9	0.80%	450	9	0.79%
Ames Laboratories	415	10	0.61%			
Hy-Vee Food Stores				775	7	1.36%
Wal-Mart				441	10	0.77%
Total			<u>34.89%</u>			<u>42.71%</u>

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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General government:										
Management services	23.25	24.25	24.25	24.50	24.50	24.50	25.50	25.50	26.50	29.00
Finance	40.75	40.75	40.75	41.00	41.00	41.00	41.00	41.00	41.00	39.00
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 ¹	6.00	6.00	5.00	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	9.00
Transit	84.05	84.05	84.05	84.50	85.50	85.50	85.50	87.75	88.30	89.25
Fire/inspections	65.00	68.00	70.00	71.00	72.00	73.00	74.00	74.00	74.00	75.00
Police/animal control/parking	77.65	79.65	80.65	82.15	83.15	84.60	85.05	85.05	85.05	84.05
Library	35.50	35.75	35.75	36.50	37.00	37.00	37.00	37.50	38.50	38.50
Parks and recreation	19.50	25.00	25.00	25.00	25.00	26.75	27.75	27.75	28.75	29.00
Water and pollution control	40.05	40.30	40.30	40.00	40.00	38.00	38.00	39.00	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	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Engineering	15.75	15.75	14.75	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	22.00	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	12.00	13.00	13.00	13.00	13.00	13.00
Other	13.00	8.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Hospital	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	1,217.00
Total	1,636.00	1,642.00	1,660.00	1,667.90	1,703.40	1,732.60	1,761.05	1,818.80	1,808.35	1,818.55

¹ 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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General government:										
Number of licenses/permits processed	559	714	635	752	561	598	546	547	498	486
Police:										
Physical arrests	1,362	1,215	1,596	1,480	1,380	778	1,063	1,075	1,043	1,037
Parking violations	50,280	47,272	38,798	32,711	27,278	25,152	27,511	24,173	28,677	25,363
Traffic violations	2,451	2,614	2,834	2,328	2,092	1,667	1,803	2,219	2,813	2,862
Fire:										
Number of fires	126	89	116	80	82	117	93	109	93	96
Number of ambulance assists	2,442	2,663	2,646	2,857	2,473	2,064	3,399	3,533	3,552	3,700
Inspections	1,435	1,074	831	501	582	322	535	486	608	849
Library:										
Total circulation	1,304,434	1,280,305	1,222,360	1,220,180	961,602	854,397	1,043,230	994,326	998,192	984,666
Library visits	506,034	523,673	508,918	485,929	336,272	268,927	279,123	317,020	332,355	333,949
Parks and recreation:										
Total number of participant visits	293,757	255,227	280,766	281,420	187,725	157,593	200,606	157,896	168,519	178,147
Total number of activities	187	194	196	200	175	325	806	171	190	192
Resource recovery:										
Tons of refuse processed	41,646	45,598	37,124	33,173	33,511	40,040	40,040	44,634	44,360	41,987
Tipping fee per ton	52.75	52.75	55.00	55.00	58.75	58.75	62.50	62.50	62.50	75.00
Other public works:										
Blocks of streets crack sealed	66	73	65	81	88	20	87	149	103	189
Blocks of streets slurry sealed	36	33	30	-	-	56	37	26	-	35
Blocks of seal coat reconstruction	16	-	10	6	-	4	4	3	2	-
Hospital:										
Total admissions	7,867	8,368	8,510	8,267	8,230	8,082	8,355	8,446	8,473	8,947
Average percent of occupancy	49.3%	49.7%	50.2%	50.6%	52.1%	53.7%	54.5%	55.0%	57.4%	59.1%
Electric:										
Kilowatt hours produced at plant	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	304,197,522
Meters in service	26,232	26,475	27,324	27,348	27,613	27,701	27,735	27,848	27,902	27,985
Transit:										
Passengers	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	4,997,210
Total miles driven	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	1,711,905
Water:										
Billion gallons per year pumped	2.110	2.131	2.245	2.117	2.260	2.359	2.312	2.443	2.407	2.330
Utility locates performed	8,121	7,383	7,113	6,932	7,935	14,152	8,834	8,019	8,716	7,717
Water main breaks	19	18	42	46	19	29	25	24	28	41
Wastewater:										
Billion gallons per year treated	2.690	2.427	2.141	2.706	2.291	1.849	2.108	2.100	2.103	2.085

Sources: City departments and Mary Greeley Medical Center

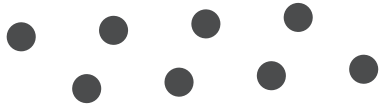
CITY OF AMES, IOWA
 CAPITAL ASSET STATISTICS BY FUNCTION
 LAST TEN FISCAL YEARS

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
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	36	36	38	38	38	38	40	40	40
Total number of park acres	1,227	1,223	1,224	1,230	1,230	1,230	1,215	1,266	1,266	1,268
Total number of athletic fields	18	18	21	21	21	21	21	21	21	21
Other public works:										
Miles of streets	291	300	305	305	249	252	252	252	210	215
Number of traffic signals	67	68	69	70	71	76	78	78	78	78
Number of signs	9,509	9,854	10,087	10,658	10,876	11,052	11,069	11,206	11,348	11,345
Hospital:										
Beds in operation	199	199	199	199	199	199	199	199	199	199
Transit:										
Buses owned	105	104	105	104	89	90	90	92	89	90
New buses purchased	9	5	3	1	-	3	6	9	2	-
Water:										
Miles of water mains	254	247	249	250	250	252	253	255	257	257
Fire hydrants	2,847	2,906	2,948	2,977	2,995	3,029	3,054	3,087	3,140	3,150
Wells	28	25	24	25	25	25	25	22	22	22
Wastewater:										
Sanitary sewer miles	204	210	211	212	212	213	215	215	218	218
Stormwater miles	271	276	277	278	279	284	284	284	294	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

COMPLIANCE SECTION



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

June 30, 2025

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, 2025, 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, 2026. Our report includes reference to other auditors who 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 a certain immaterial instance of noncompliance or other matters which is 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, 2025 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.



Dubuque, Iowa
January 28, 2026



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, 2025. 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, 2025.

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, 2025. 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.



Dubuque, Iowa
January 28, 2026

City of Ames, Iowa
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Expenditures
U.S. Department of Agriculture Pass-through program from National Arbor Day Foundation Inflation Reduction Act Urban & Community Forestry Program	10.727	24-CA-11132544-015	\$ 21,325
U.S. Department of Housing and Urban Development Direct program CDBG - Entitlement Grants Cluster Community Development Block Grants/Entitlement Grants	14.218		667,678
Direct program Home Investment Partnership Program	14.239		1,948,389
Total U.S. Department of Housing and Urban Development			2,616,067
U.S. Department of Justice Direct program Bulletproof Vest Partnership Program	16.607		11,204
Edward Byrne Memorial Justice Assistance Grant Program	16.738		6,973
Total U.S. Department of Justice			18,177
U.S. Department of Transportation Direct program Airport Improvement Program	20.106		72,552
Airport Improvement Program	20.106		279,300
Airport Improvement Program	20.106		1,663,003
Pass-through program from Iowa Department of Transportation			2,014,855
Highway Planning and Construction	20.205	25MPO-AAMPO	33,420
Highway Planning and Construction	20.205	STP-A-0155(710)--86-85	1,286,532
Highway Planning and Construction	20.205	STP-A-0155(713)--86-85	123,245
Highway Planning and Construction	20.205	STP-A-0155(713)--86-85	596,206
Highway Planning and Construction	20.205	STP-U-0155(712)--70-85	192,797
Highway Planning and Construction	20.205	STP-U-0155(711)--27-85	791,597
			3,023,797

See Notes to Schedule of Expenditures of Federal Awards

City of Ames, Iowa
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

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			
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	25MPO-AAMPO	\$ 536,648
Federal Transit Cluster			
Direct program			
Federal Transit - Formula Grants	20.507		953,596
Federal Transit - Formula Grants	20.507		128,276
Federal Transit - Formula Grants	20.507		<u>3,619,583</u>
			<u>4,701,455</u>
Direct program			
Buses and Bus Facilities Formula, Competitive and Low or No Emissions Programs	20.526		9,702
Buses and Bus Facilities Formula, Competitive and Low or No Emissions Programs	20.526		<u>12,000</u>
			<u>21,702</u>
Total Federal Transit Cluster			<u>4,723,157</u>
Transit Services Programs Cluster			
Pass-through program from			
Iowa Department of Transportation			
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	IA-2022-008-00-FFY21-SFY22	35,707
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	IA-2023-006-03-01; 00006868	23,524
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	IA-2023-006-01; 00005246	72,255
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	IA-2025-012-01; 00008537	45,959
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	IA-2025-012-01; 00008536	106,575
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	IA-2023-006-03-01; 00006867	129,939
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	IA-2023-006-03-01; 00006868	<u>61,907</u>
Total Transit Services Programs Cluster			<u>475,866</u>

See Notes to Schedule of Expenditures of Federal Awards

City of Ames, Iowa
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

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)			
Highway Safety Cluster			
Pass-through program from			
Iowa Department of Public Safety			
State and Community Highway Safety	20.600	PAP 402-PT-2024 Task 05-40-01	\$ 2,331
State and Community Highway Safety	20.600	PAP 402-AL-2024 Task 02-40-01	2,544
State and Community Highway Safety	20.600	PAP 402-PT-2025	19,572
State and Community Highway Safety	20.600	PAP 402-AL-2025	<u>5,907</u>
Total Highway Safety Cluster			<u>30,354</u>
Pass-through program from			
Iowa Department of Public Safety			
Safe Streets and Roads for All	20.939	693JJ32440807	<u>94,864</u>
Total U.S. Department of Transportation			<u>10,899,541</u>
National Endowment for the Humanities (NEH)			
Pass-through program from			
Iowa Department of Cultural Affairs			
Promotion of the Arts Partnership Agreements	45.025	202510-13666	<u>5,380</u>
U.S. Department of the Environmental Protection Agency			
Pass-through program from			
Iowa Finance Authority			
Clean Water State Revolving Funds	66.458	C1330R, C1377R	<u>2,263,598</u>
Iowa Finance Authority			
Drinking Water State Revolving Funds	66.468	D0664R, D0616R	<u>611,726</u>
Total U.S. Department of the Environmental Protection Agency			<u>2,875,324</u>
U.S. Department of Homeland Security			
Pass-through program from			
Iowa Department of Homeland Security			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	4784DR-IA, P00000001	<u>547,563</u>
Hazard Mitigation Grant	97.039	4483DR-IA, P00000215	<u>81,518</u>
Total U.S. Department of Homeland Security			<u>629,081</u>
Total Federal Financial Assistance			<u>\$ 17,064,895</u>

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, 2025. 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, 2025.

Note 3 - Indirect Cost Rate

The City has not elected to use the 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>
Home Investment Partnership Program	14.239
Airport Improvement Program	20.106
Federal Transit Cluster	
Federal Transit Formula Grants	20.507
Buses and Bus Facilities Formula, Competitive and Low or No Emissions Programs	20.526
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

2025-IA-A Certified Budget: Disbursements during year ended June 30, 2025 did not exceed the amounts budgeted.

2025-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.

2025-IA-C Travel Expense: No expenditures of City money for travel expenses of spouses of City officials or employees were noted.

2025-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>
Levi Faas, CyRide Employee, Mother is owner of One Hour Heating & Air Conditioning	Services	\$ 1,443
Brian Lewis, Resource Recovery Plant Employee, is owner of Lawnpro	Lawn Care, partially bid	\$ 61,161

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.

Recommendation – The City should bid contracts in accordance with Chapter 362.5(3)(d) of the Code of Iowa.

Response – The City will bid contracts in the future, if applicable.

Conclusion – Response accepted.

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

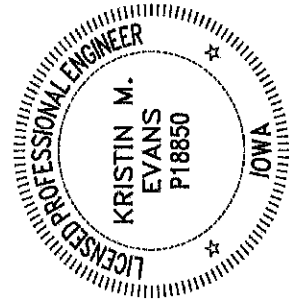
- 2025-IA-E Restricted Donor Activity:** No transactions were noted between the City, City officials, City employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.
- 2025-IA-F Bond Coverage:** Surety bond coverage of City officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to insure the coverage is adequate for current operations.
- 2025-IA-G Council Minutes:** No transactions were found that we believe should have been approved in the Council minutes but were not.
- 2025-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.
- 2025-IA-I Revenue Bonds:** No instances of noncompliance with the provisions of the City’s revenue bond resolutions were noted.
- 2025-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.
- 2025-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, 2024.

Post Closure costs	Cost
Item	
Annual professional services contract	\$ 80,000.00
General site facilities, access roads, and fencing maintenance	\$ 5,000.00
Cap and vegetative cover maintenance	\$ 1,500.00
Drainage and erosion control systems maintenance	\$ 1,500.00
Groundwater to waste separation systems maintenance	N/A
Groundwater and surface water monitoring systems maintenance	Inc in professional services
Groundwater and surface water quality monitoring and reports	Inc in professional services
Groundwater monitoring systems performance evaluations and reports	Inc in professional services
Leachate controls systems maintenance	\$ 500.00
Leachate management, transportation and disposal	N/A
Facility inspections and reports	Inc in professional services
Engineering and technical services	Inc in professional services
Legal, financial and administrative services	City service
Financial assurance, accounting, audits, and reports	City service
 Annual Cost	 \$ 88,500.00

I hereby certify that this engineering document was prepared by me or under my direct personal supervision and that I am a duly licensed Professional Engineer under the laws of the State of Iowa.

Kristin M. Evans

License Number P18850
My License renewal date is December 31, 2027
Pages or sheets covered by this seal:
Cost estimate



**MUNICIPAL SOLID WASTE SANITARY LANDFILL
LOCAL GOVERNMENT FINANCIAL TEST & CFO LETTER**

April 24, 2026

Iowa Department of Natural Resources
Planning, Permitting & Engineering Services
6200 Park Ave Ste 200
Des Moines, IA 50321

Dear Sir or Madam:

I am the chief financial officer for City of Ames, herein referred to as the "Owner". This letter is in support of the Owner's use of the Financial Test to demonstrate financial assurance for closure and/or postclosure care costs, as specified in IAC 567 Chapter 113.14(3) and 113.14(4).

The Owner is the owner and operator of the following municipal solid waste sanitary landfill(s) for which financial assurance for closure and/or postclosure care is demonstrated through the financial test, as specified in IAC 567 Chapter 113.14(6)"f":

Facility Name: Ames Power Plant Permit No: 85-SDP-20-23C
Address: 200 E 5th Street, Ames, IA 50010

The current closure and/or postclosure care cost estimate, in accordance with IAC 567 Chapter 113.14(3) and 113.14(4), are shown below for each facility covered by the Financial Test:

Closure Cost to be assured: \$ _____
Postclosure Cost to be assured: \$ 88,500

The Owner meets or exceeds the financial test criteria as shown below in Alternative I and agrees to comply with the requirements, as specified in subrule 113.14(6)"f".

As chief financial officer for the Owner, I hereby certify that the information provided in this letter is true to the best of my knowledge and that this letter is being submitted in accordance with IAC 567 Chapter 113.14(6)"f" for the Local Government Financial Test.

Signature: 
Name: Corey Goodnow Date: 5/11/26

The figures for the following items are derived from the Owner's independently audited, year-end financial statements/audit report for the latest completed fiscal year, ended June 30, 2025 .

Alternative I

1. Sum of the current closure and/or postclosure cost estimates being assured by the Financial Test	\$88,500	
	From most recent annual auditor's report	From 2nd most recent annual auditor's report
2. Total Revenues	\$538,742,756	\$488,425,386
3. Total Expenditures	\$455,061,657	\$422,728,800
4. Current bond rating of most recent outstanding general obligation bonds	Aa1	Aa1

Must be able to answer "Yes" or "True" to the following	Yes/ True	No/ False
5. Has evidence been provided of most recent bond rating?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. Are outstanding general obligation bonds rated at least Aaa, Aa, A, or Baa, as issued by Moody's or AAA, AA, A or BBB, as issued by Standard & Poor's?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. There are no outstanding general obligation bonds that are currently in default.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. There are no outstanding general obligation bonds rated lower than Baa as issued by Moody's or BBB as issued by Standard & Poor's.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. Have financial statements (audit) been prepared in conformity with Generally Accepted Accounting Principles or with Other Comprehensive Basis of Accounting?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. Is line 3 less than line 2 in each of the past two years?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11. If answered "no" to line 10, line 3 does not exceed line 2 by more than 5 percent in each of the past two years.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
12. Is line 1 less than 43 percent of line 2?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
13. Have not received an adverse opinion or disclaimer of opinion from the independent certified public accountant or office of the auditor of the state of Iowa.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
14. Have closure and postclosure costs being assured been referenced in the owner's most recent audit report or instead placed in the owner's files if timing did not permit reference in the most recent audit?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Definitions:

"Deficit" - means total annual revenues minus total annual expenditures.

"Total revenues" - means revenues from all taxes and fees but does not include the proceeds from borrowing or asset sales, excluding revenue from funds managed by local government on behalf of a specific third party.

"Total expenditures" - means all expenditures excluding capital outlays and debt repayment.

"Cash plus marketable securities" - means all the cash plus marketable securities held by the local government on the last day of a fiscal year, excluding cash and marketable securities designated to satisfy past obligations such as pensions.

"Debt service" - means the amount of principal and interest due on a loan in a given time period, typically the current year.

The figures for the following items are derived from the Owner's independently audited, year-end financial statements/audit report for the latest completed fiscal year, ended [Fiscal year end date] .

Alternative II

1. Sum of the current closure and/or postclosure cost estimates being assured by the Financial Test	\$	\$
	From most recent annual auditor's report	From 2nd most recent annual auditor's report
2. Total Revenues for past two years	\$	\$
3. Total Expenditures for past two years	\$	\$
4. Cash plus marketable securities (see definition below)	\$	\$
5. Annual debt service	\$	\$

Must be able to answer "Yes" or "True" to the following	Yes/ True	No/ False
6. Is line 4 divided by line 3 greater than 5 percent?	<input type="checkbox"/>	<input type="checkbox"/>
7. Is line 5 divided by line 3 less than 20 percent?	<input type="checkbox"/>	<input type="checkbox"/>
8. There are no outstanding general obligation bonds that are currently in default.	<input type="checkbox"/>	<input type="checkbox"/>
9. There are no outstanding general obligation bonds rated lower than Baa as issued by Moody's or BBB as issued by Standard & Poor's.	<input type="checkbox"/>	<input type="checkbox"/>
10. Have financial statements (audit) been prepared in conformity with Generally Accepted Accounting Principles or with Other Comprehensive Basis of Accounting?	<input type="checkbox"/>	<input type="checkbox"/>
11. Is line 3 less than line 2 in each of the past two years?	<input type="checkbox"/>	<input type="checkbox"/>
12. If answered "no" to line 11, line 3 does not exceed line 2 by more than 5 percent in each of the past two years.	<input type="checkbox"/>	<input type="checkbox"/>
13. Is line 1 less than 43 percent of line 2?	<input type="checkbox"/>	<input type="checkbox"/>
14. Have not received an adverse opinion or disclaimer of opinion from the independent certified public accountant or office of the auditor of the state of Iowa.	<input type="checkbox"/>	<input type="checkbox"/>
15. Have closure and postclosure costs being assured been referenced in the owner's most recent audit report or instead placed in the owner's files if timing did not permit reference in the most recent audit?	<input type="checkbox"/>	<input type="checkbox"/>

Definitions:

"Deficit" means total annual revenues minus total annual expenditures.

"Total revenues" means revenues from all taxes and fees but does not include the proceeds from borrowing or asset sales, excluding revenue from funds managed by local government on behalf of a specific third party.

"Total expenditures" means all expenditures excluding capital outlays and debt repayment.

"Cash plus marketable securities" means all the cash plus marketable securities held by the local government on the last day of a fiscal year, excluding cash and marketable securities designated to satisfy past obligations such as pensions.

"Debt service" means the amount of principal and interest due on a loan in a given time period, typically the current year.

