



ANNUAL COMPREHENSIVE FINANCIAL REPORT

2024

City of Loveland, CO
For the Year
December 31, 2024



City of Loveland, Colorado

Annual Comprehensive Financial Report

For the fiscal year ended
December 31, 2024

Submitted by
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Chief Financial Officer - Brian Waldes

Prepared by the Finance Department

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Introduction

**This section contains the Letter of
Transmittal, City Organizational chart,
list of City Officials, and the
Certificate of Achievement.**



CITY OF LOVELAND

FINANCE DEPARTMENT

Civic Center • 500 East Third • Loveland, Colorado 80537
(970) 962-2318 • FAX (970) 962-2900 • TDD (970) 962-2620

City of Loveland

June 26, 2025

Honorable Mayor, Members of the City Council, and the City of Loveland Community;

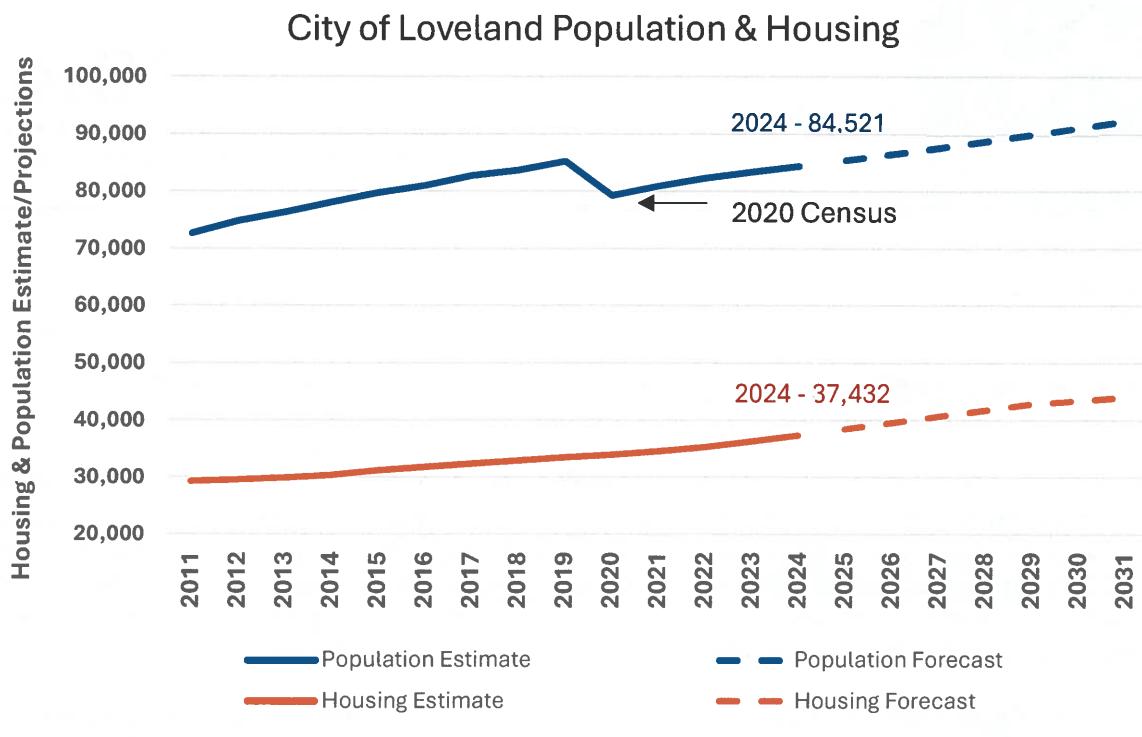
We are pleased to present the Annual Comprehensive Financial Report for the year ended December 31, 2024. State law requires that every general-purpose local government publish, within six months of the fiscal year end (fiscal year is the calendar year by Charter), a complete set of audited financial statements. The City's Charter requires an annual audit performed by a public accounting firm selected by the City Council. This report is published to fulfill these requirements. The report shows the City's continued progress in making strategic investments in capital projects and infrastructure.

We, as the representatives of City management, assume full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that have been established for this purpose. Because the cost of internal controls should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Plante & Moran, PLLC, Certified Public Accountants, have issued an unmodified opinion ("clean opinion") on the City of Loveland's financial statements for the year ended December 31, 2024. The Independent Auditors' Report is located behind the Section 2: Financial tab of this report. Management Discussion and Analysis (MD&A) immediately follows the Independent Auditors' Report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The City of Loveland, incorporated in 1881, is located approximately 50 miles north of Denver, directly east of the Big Thompson River's emergence from the Front Range of the Rocky Mountains. Situated in southeastern Larimer County, the City limits encompass 37.41 square miles and an estimated current population of 84,521, representing approximately 37,432 households.



The City operates as a home rule city and as a council-manager form of government under the provisions of a City Charter and local ordinances. City Council is comprised of nine members. The City is divided into four representation wards. There are two council members from each of those wards that serve staggered four-year terms and a Mayor, elected at large, that serves a two-year term. The Mayor presides over City Council meetings and has an equal vote to other Council members on actions taken by the Council.

The City of Loveland is a full-service organization including electric power services, solid waste/recycling, and municipal fiber services. Other services include water, wastewater, golf courses, stormwater, police, library, culture (museum, theater, Art in Public Places), parks and recreation, trails/open lands, cemetery, maintenance and construction related to transportation, transit (COLT), development services, and a variety of support services. The Loveland Fire Rescue Authority provides services to the City and the surrounding rural district. The City jointly operates and maintains the Northern Colorado Regional Airport with the City of Fort Collins, Colorado. A separate report is issued for the operation which includes federal grant requirement compliance and passenger facility charge reporting. All governing and reporting relationships are disclosed in the footnotes to the financial statements.

The City's budget is required to be submitted to City Council by the first Tuesday of October each year, unless City Council sets an alternate date. The budget is required to include proposed capital improvements for the budget year plus an additional four years. Additionally, the budget must provide a complete financial plan for the City in a format acceptable to City Council. Except as otherwise provided by the Charter, the proposed budget must be prepared in accordance with the City Charter, state statutes establishing the local government budget laws and the local government uniform accounting laws. A public hearing is required along with two readings of the applicable budget ordinances. The budget is adopted via a majority "yes" vote by a quorum of City Council members present at each meeting. On second reading, a majority of all nine Council members must vote to approve the proposed budget. This approval sets the appropriation for the year at the fund level. Any supplemental appropriations must be approved using the same procedures outlined above for the original adoption of the budget. Currently, departments have the flexibility, with the appropriate approvals, to move

money between divisions within the same accounting fund. However, any funding moved between accounting funds requires a supplemental appropriation, public hearing and two readings of the ordinance by City Council.

Local Economy

Major employers in the City include a school district, the health care industry, food manufacturing, construction, advanced manufacturing, agricultural, and distribution centers including a 3.9 million square foot Amazon fulfillment center. There are two hospital facilities and several substantial medical office facilities. Most of the economic data sources indicate that the healthcare sectors of the economy are growing more rapidly than the rest of the economy. Northern Colorado is growing faster than most other parts of the state and Colorado continues to be among the fastest growing states for the last five years. The region is expected to continue to expand.

According to Colorado Department of Labor and Employment data, the local unemployment rate for the Fort Collins-Loveland metropolitan statistical area at the end of 2024 was 4.2%. The area compared favorably to the state of Colorado rate of 4.6%.

City Council has continued to support economic and business development policies and programs to retain and expand jobs as one of its highest priorities, along with the investment in infrastructure. One current project is the Heart Improvement Project, which will create a vastly improved pedestrian experience and better walkability for our historic downtown area. City efforts continue to position Loveland as a front runner in Northern Colorado to attract new businesses. In 2024, the City entered into an agreement that will bring a major outdoor sporting goods retailer to Loveland, and the City continues to market itself to potential businesses and employers both in the region and throughout the nation.

Long-Term Financial Planning

The City of Loveland prepares a 5-Year Financial Master Plan and Capital Improvement Plan, which are closely connected through the operational impacts of proposed capital projects. Both plans are dynamic documents and are updated at least annually. The City's target is to meet all anticipated expenditure obligations and reserve targets, helping ensure resources are available to meet the first five years of the proposed plan's identified project needs.

The 2025 Financial Master Plan anticipates modest growth in key revenues areas for 2025. However, due to ongoing economic uncertainties at the national level, the City is proceeding cautiously with revenue forecasting beyond 2025. Operational budgets were thoroughly reviewed and adjusted as part of the 2026 Budget Planning Process and will continue to be closely monitored moving forward. For 2026, significantly fewer decision packages are being recommended compared to prior years, reflecting the new City Manager's prioritization philosophy: first, support existing staff; second, maintain existing infrastructure; and last, consider adding additional staff, service areas, or capital projects.

Major Initiatives

A major City initiative in 2024 was the continuation of construction on Chimney Hollow reservoir, which will hold 90,000-acre feet of water when completed and filled. The City's share will be 10,000-acre feet of storage in the reservoir. The expected completion date of the project is 2025, with filing of the reservoir expected to be complete in 2027. In 2024, the City also began major improvements at the US34 (Eisenhower Blvd) and Taft Avenue intersection. This project aims to enhance safety at one of Loveland's busiest intersections and improve the multi-modal corridor along North Taft Avenue.

Several major capital projects were completed in 2024, including the COLT North Transit Center for \$3.8 million, Prairie Ridge Natural Area for \$3.5 million, building improvements at the Olde Course Clubhouse

for \$3.3 million and the CNG Fueling Station for \$1.8 million. The City has also started construction on the first phase of the Heart Improvement Plan (HIP) streets project in our downtown. This project is fully funded by tax increment financing provided by our partners at the Loveland Downtown Development Authority (DDA).

Awards and Acknowledgments

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Loveland, Colorado for its Annual Comprehensive Financial Report for the year ended December 31, 2023. This was the 44th consecutive year that the City has received this prestigious award. To be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized Annual Comprehensive Financial Report that satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements, and the City is submitting it to the GFOA to determine its eligibility for another certificate.

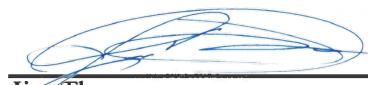
The Government Finance Officers Association (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Loveland, Colorado for its Popular Annual Financial Report (PAFR) for the year ended December 31, 2023. This was the tenth consecutive year that the City has received this prestigious award. To receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a PAFR whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

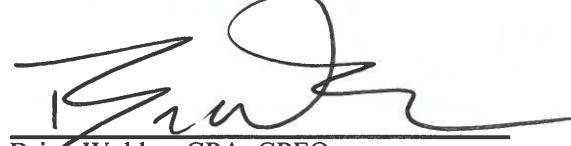
In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for 2025. It is the 42nd consecutive year that the City will have received the budget presentation award. To qualify for the Distinguished Budget Presentation Award, the City's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

Preparation of an Annual Comprehensive Financial Report is a complex task and one that requires considerable expertise and experience. More importantly, the ongoing maintenance and reporting of the City's financial condition at the level to which Loveland has been accustomed to requires professionalism and dedication. The City is fortunate to have a very talented accounting staff willing to undertake these efforts year after year. The City expresses sincere thanks to the entire accounting staff of the City, while Accounting Manager Tena Mose and Senior Accountant Jeff Miller deserve particular recognition for their efforts in preparing representative financial statements. The City would also like to express appreciation to the independent certified public accounting firm, Plante & Moran, PLLC, Certified Public Accountants for not only its professionalism extended to City staff as it conducted its audit engagement, but also for its guidance and technical assistance.

Finally, The City would like to express its gratitude and appreciation to the members of the Loveland City Council, the Citizens Finance Advisory Commission, the City Manager's Office and City departments for their policy guidance which is contained in this document. As the governing body, your commitment to ensure accurate and reliable financial accounting and reporting systems establishes an environment which influences important decision making City-wide. We are pleased to convey the City Council's commitment to excellence to our citizens and all readers of the Fiscal Year Ending 2024 Annual Comprehensive Financial Report.

Respectfully Submitted,


Jim Thompson
City Manager


Brian Waldes, CPA, CPFO
Chief Financial Officer

CITIZENS OF LOVELAND



CITY COUNCIL



Mayor
Jacki Marsh



Ward I
Troy Krenning



Ward I
Patrick McFall



Ward II
Andrea Samson



Ward II
Dana Foley



Ward III
Erin Black



Ward III
Steve Olson



Ward IV
Mayor Pro Tem
Jon Mallo



Ward IV
Laura Light-Kovacs

Boards & Commissions

The City currently has 25 boards and commissions that serve in an advisory capacity to the City Council on policy topics critical to the operation of Loveland City Government.



City Attorney
Vince Junglas



City Manager
Jim Thompson



Municipal Judge
Jennifer Edgley



Deputy City Manager



City Clerk



Communication & Engagement



Economic Development



Finance



Human Resources



Police



Cultural Services



Development Services



Information Technology



Library



Parks & Recreation



Public Works



Utilities



Assistant to the City Manager

The **Northern Colorado Regional Airport** and **Loveland Fire Rescue Authority** operate under Intergovernmental Agreements that establish operational and service partnerships with the City of Loveland and surrounding communities.





Government Finance Officers Association

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

Presented to

**City of Loveland
Colorado**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2023

Christopher P. Monell

Executive Director/CEO

Financial

This section contains the auditors' report, management discussion and analysis, the basic financial statements with related footnote disclosures, required supplementary information and other supplemental information.

Independent Auditor's Report

To the Honorable Mayor and Members of the City Council
City of Loveland, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Loveland, Colorado (the "City") as of and for the year ended December 31, 2024 and the related notes to the financial statements, which collectively comprise the City of Loveland, Colorado's basic financial statements, as listed in the table of contents.

In our opinion, 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, each major fund, and the aggregate remaining fund information of the City of Loveland, Colorado as of December 31, 2024 and the respective changes in its financial position and, where applicable, its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the City and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 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.

To the Honorable Mayor and Members of the City Council
City of Loveland, Colorado

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Loveland, Colorado's basic financial statements. The other supplementary information, as identified in the table of contents; Local Highway Finance Report; and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"), are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information, Local Highway Finance Report, and 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 opinion on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

To the Honorable Mayor and Members of the City Council
City of Loveland, Colorado

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 whether 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 June 26, 2025 on our consideration of the City of Loveland, Colorado'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 of Loveland, Colorado'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 of Loveland, Colorado's internal control over financial reporting and compliance.

Plante & Moran, PLLC

June 26, 2025

Management's Discussion & Analysis

The City of Loveland offers the following narrative overview and analysis of its financial activities for the fiscal year ending December 31, 2024. Readers are encouraged to review this section in conjunction with the letter of transmittal and the City's financial statements, beginning on pages 5 and 29 respectively.

Loveland utilizes a conservative approach to financial management characterized by cautious revenue projections and careful operating and capital expenditures planning, including contingencies for unforeseeable events. In 2023, Loveland voters approved a citizen-led initiative to remove food for home consumption from the City's sales tax base, resulting in a multi-million dollar reduction in grocery sales tax revenue for 2024. In anticipation of this impact, the City of Loveland took proactive steps to reduce expenditures, including the temporary cancellation and de-appropriation of approximately \$5.5 million in capital projects. These reductions, in combination with the use of 2023 budgetary savings, enabled the City to manage anticipated revenue shortfalls and maintain a balanced 2024 budget. To ensure continued financial sustainability, permanent service level reductions were planned in 2024 for implementation in the 2025 budget and the City continues to maintain a fully funded operational reserve in accordance with the City's Fund Balance and Reserve policy, adopted in 2019.

With regards to capital financing, the City has shifted from a "pay as you go" philosophy to include the strategic use of financing instruments including bonds and certificates of participation (COPs), better aligning costs with the useful life of the asset and the long-term benefits to the community. These financing tools have been used to support several significant projects in Loveland in recent years including the construction of Chimney Hollow reservoir, expansion of the City's municipal fiber network "Pulse", and improvements to the City's Stormwater system. Additionally, the City has partnered with regional agencies to invest in major transportation infrastructure improvements such as the Centerra Loveland Mobility Hub, opened in 2024. Despite the challenges faced in 2024, the City remains dedicated to transparent financial stewardship and to the continued delivery of high-quality, cost-effective programs, services and amenities for our community.

FINANCIAL HIGHLIGHTS

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows at the close of 2024 by \$1,572,530,926 (net position). This amount comprises \$744,509,749 in Governmental Activities and \$828,021,177 in Business-type Activities. Of the net position amount, \$232,749,468 is unrestricted and may be used to meet the City's ongoing obligations in accordance with the City's fund designations and fiscal policies.
- The City's net position increased by \$101,851,564 from the prior year, of which \$45,314,596 is attributable to governmental activities and \$56,536,968 to business-type activities.
- At the close of 2024, the City's governmental funds reported a combined ending fund balance of \$158,865,778, which is a decrease of \$2,516,059 from prior year; \$35,671,223 of the balance is unassigned.
- At the close of 2024, the General Fund unassigned fund balance was \$36,244,450 or 33% of total General Fund operating expenditures. This is \$19,371,938 less than at the close of 2023.
- The City's outstanding debt of \$216,344,825 at the end of 2024 increased by \$34,604,371. This increase is due primarily to the issuance of Stormwater and Electric & Communications bonds in 2024.

MAJOR INITIATIVES AND IMPACTS

The City's General Fund Balance was \$62,442,538 at the close of 2023, and \$42,777,540 at the close of 2024. This is a total decrease of (\$19,664,998). This draw-down in fund balance was in line with planned capital projects.

The General Fund operating revenue increased from \$119,898,865 in 2023 to \$121,238,497 in 2024. This increase can be attributed in part to the increase in property taxes as valuations increased on average 30% in the City of Loveland. Although showing a slight increase from 2023, actual revenues were significantly less than the adopted budget due to the loss of sales tax on food for home consumption. The City continues to adjust service levels to ensure alignment with current revenues and available resources.

Completion and/or Continuation of Major Capital Projects in 2024:

- 1. Municipal Fiber:** Branded as Pulse, Loveland's municipal fiber utility delivers affordable, reliable and high-speed internet, Wi-Fi, voice and TV service through a 100% fiber-optic network. Construction of the core network was completed in 2023 and is now available to all residents and businesses within the City of Loveland. In 2024, Pulse began expansion into the neighboring town of Timnath, extending its northern Colorado reach and impact. Pulse is nationally and locally recognized as one of the top municipal broadband providers, and in 2024 was ranked by *PCMAG* as the fastest internet service provider in the Mountain Region and the second-fastest in the nation, with the highest score for gaming quality. Budget - \$8.5 million; 2024 cost-to-date- \$2.0 million.
- 2. Chimney Hollow Reservoir:** Chimney Hollow Reservoir is part of a regional collaboration between 12 Northeastern Colorado water providers aimed at enhancing the reliability of the 1985 Windy Gap Project (operated by Northern Water's Municipal district). The firming project will build a new East Slope reservoir to provide dedicated storage to supply a reliable 90,000 acre-feet of water each year for future generations. The City's share of this storage will be 10,000 acre-feet. The reservoir will be immediately west of the existing Carter Lake in southern Larimer County. The total project budget is \$77.4 million, with \$76.3 million expended through the end of 2024. The City's share of financing for this project was included in the 2021 budget and construction of the project began that year. Project completion is scheduled for 2025 with dam testing and initial filling of the reservoir expected to begin in late 2025 and continue through 2027.
- 3. Water Pump Station P2:** The P2 Pump Station in Loveland is a key infrastructure project designed to enhance water pressure and distribution capacity to meet growing demand in northwest Loveland. Planning and community outreach for this project began in 2022 and completion is expected in early 2025. Budget \$7.3 million, 2024 cost-to-date \$6.8 million.
- 4. Garfield and Harrison Outfall:** This project will reduce flooding problems in this area of Loveland and the project includes the installation of an underground storm drainage system. Budget \$15.0 million, 2024 cost-to-date \$9.2 million.
- 5. US-34 & Taft Intersection Upgrades (Phase 1 & 2):** The US 34 & Taft Avenue Intersection Improvement Project is a multi-phase effort by the City of Loveland (in partnership with CDOT) to enhance safety, reduce congestion, and improve multimodal access at one of the city's busiest junctions, which serves more than 28,000 vehicles daily on US 34 and 21,000 on Taft. The City launched the project in mid-2024 with completion expected by July of 2025. Funding sources include CDOT/CMAQ grants, TABOR funds, General Fund, Capital Expansion Fees, and Water Enterprise Fund. Budget \$31.8 million, 2024 cost to date \$9.7 million
- 6. Downtown 4th Street Revitalization:** The long-awaited Heart Improvement Plan (HIP) advanced into construction in late February 2025, following unanimous Council approval in November 2024. This project will revitalize the historic core of Downtown Loveland and includes streetscape enhancements (such as new sidewalks, landscaping, streetlights, and public space improvements) and essential underground utility upgrades (water, stormwater, and power). The project is funded through Certificates of Participation and utility enterprise funds, totaling approximately \$24.5 million (\$12 M

in utility funds and \$12.5 M via certificates of participation to be paid the by the Loveland Downtown Development Authority).

Softening Growth in Sales Tax:

The City of Loveland had experienced steady growth in sales tax revenue, averaging 6.42%, over the five years preceding 2023. Collections declined in 2023, marking the first year of negative growth in a decade. Sales tax, which has remained at 43.4% of total General Fund revenues in 2024. In November 2023, the citizens voted to no longer tax food for home consumption effective January 1st, 2024. For 2024, the City initially projected modest growth in sales tax revenue; however, actual collections have been significantly impacted by the loss of that sales tax. As anticipated, this policy change led to sharp declines in sales tax collections from grocery stores and specialty food businesses, as well as from department stores and general merchandise retailers. Overall, sales tax revenue ended the year \$6.8 million (10.9%) below 2023 collections. Despite these declines, the City has observed strong growth in several sectors, including electronic shopping and mail orders, consumer goods and commercial equipment rentals, and restaurant and bar sales.

Sales Tax History* (net of TIF Revenue)

Year	Total General Fund Revenue	General Fund Sales Tax (net of TIF)	Sales Tax % of Total GF Revenue	Sales Tax % Growth
2015	76,653,388	40,522,951	52.9%	3.0%
2016	78,508,132	42,371,545	54.0%	4.6%
2017	81,085,397	44,119,468	54.4%	4.1%
2018	85,537,294	45,574,851	53.3%	3.3%
2019	87,823,622	47,921,968	54.6%	5.2%
2020	91,768,812	47,933,998	52.2%	0.0%
2021	109,777,331	53,004,011	48.3%	10.6%
2022	121,658,483	59,908,287	49.2%	13.0%
2023	119,898,865	62,338,063	52.0%	4.1%
2024	121,238,497	55,542,661	45.8%	-10.9%

*This table is based on actual sales tax figures. General Fund revenue excludes transfers and long term debt. Net of Tax Increment Financing (TIF) means that other funds, such as the Downtown Development Authority and Loveland Urban Renewal Authority, receive a portion of the sales taxes generated in their area over the base sales taxes collected prior to the development of the authority.

OVERVIEW OF CITY FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. For governmental activities, these statements show how services were financed in the short term as well as what remains for future use. Fund financial statements report the City's operations in more detail than the government-wide statements by providing information about the City's most significant individual funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those entities outside of the government. This information should be reviewed in conjunction with the Letter of Transmittal and the City's financial statements.

Reporting the City as a Whole

The Statement of Net Position and the Statement of Activities

One of the most important questions asked about the City's finances is: "Is the City as a whole better or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities provide information about the City and its activities in a way that helps answer this question. These statements report all assets and liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private-sector businesses. All the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Position and the Statement of Activities report the City's net position and changes from the prior year. The City's net position—the difference between assets and liabilities—serves as a key metric for assessing its financial well-being, or financial position. Over time, increases or decreases in net position provide an indicator of whether the City's financial health is improving or declining. It's important to note, however, that there are non-financial factors that can both influence and reflect the overall health of the City, such as changes in the City's property tax base and the condition of the City's infrastructure such as streets, bridges, storm drains, and water and sewer lines.

The City's Statement of Net Position and Statement of Activities are divided into two types of activities:

- **Governmental Activities**—Most of the City's basic services are reported here, including general administration, police, fire, parks & recreation, community services, public works, library, and cultural services. Sales taxes, property taxes, franchise taxes, user fees, fines, and intergovernmental revenue, including state and federal grants, fund most of these activities.
- **Business-Type Activities**—These services are funded primarily through user fees and include operations such as electric and communications utilities, water, wastewater, stormwater, solid waste collection, and golf courses.

Reporting the City's Most Significant Funds

Fund Financial Statements

While government-wide statements provide a broad view of the City's finances, the Fund Financial Statements offer a more detailed perspective on the City's most significant funds. Some funds are required by state law, while others, such as capital expansion fees, are established by the City Council to manage specific resources or comply with legal or contractual requirements.

The City reports two types of funds, each using a different accounting method:

- **Governmental Funds**—These funds report most of the City's basic services and are focused on short-term inflows and outflows of financial resources. They use modified accrual accounting, which measures cash and other assets that can be readily converted to cash. These statements provide a near-term view of available financial resources and help determine whether the City can meet its short-term obligations and support current programs. The relationships (or differences) between Governmental Activities (reported in the Statement of Net Position and the Statement of Activities) and Governmental Funds are illustrated in a reconciliation at the bottom of the fund financial statements.
- **Proprietary Funds**—When the City charges customers for the services it provides, these services are generally reported in Proprietary Funds. Proprietary Funds are reported in the same way that activities are reported in the Statement of Net Position and the Statement of Activities using the accrual basis of accounting. In fact, the City's Proprietary Funds are the same as the Business-Type Activities we report in the government-wide statements but provide more detail and additional information, such as cash flows. Internal Service Funds, which support internal City operations (e.g., Fleet or Risk services), are presented in an aggregated format within the proprietary fund statements. More detailed data for each internal service fund can be found in the individual fund statements and schedules section of this report.

The City as a Trustee **Reporting the City's Fiduciary Responsibilities**

The City also holds resources in a trustee or custodial capacity. These fiduciary activities are reported separately from the City's other financial statements, as these assets are not available to support the City's operations. The City is responsible for ensuring that the assets reported in these funds are used solely for their intended purposes.

THE CITY AS A WHOLE

As previously noted, net position over time may serve as a useful indicator of a government's financial position. In the City of Loveland's case, assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by \$1,572,530,926 as of December 31, 2024.

Net Position

Combined net position of the City of Loveland on December 31, 2024 was as follows:

CITY OF LOVELAND, COLORADO STATEMENT OF NET POSITION

	Governmental Activities		Business-Type Activities		Total		Total % of Change
	2024	2023	2024	2023	2024	2023	
Current and other assets	\$ 284,899,356	\$ 276,988,185	\$ 219,732,175	\$ 165,998,626	\$ 504,631,531	\$ 442,986,811	13.9%
Capital assets	565,887,739	532,523,190	850,899,548	808,496,964	1,416,787,287	1,341,020,154	5.6%
Total Assets	850,787,095	809,511,375	1,070,631,723	974,495,590	1,921,418,818	1,784,006,965	7.7%
Deferred Outflows of Resources	195,865	217,659	237,107	257,725	432,972	475,384	-8.9%
Total Assets & Deferred Outflows of Resources	\$ 850,982,960	\$ 809,729,034	\$ 1,070,868,830	\$ 974,753,315	\$ 1,921,851,790	\$ 1,784,482,349	7.7%
Long Term Liabilities	40,982,438	41,404,574	213,483,779	173,938,829	254,466,217	215,343,403	18.2%
Other liabilities	24,335,068	29,102,695	29,363,874	29,330,277	53,698,942	58,432,972	-8.1%
Total Liabilities	65,317,506	70,507,269	242,847,653	203,269,106	308,165,159	273,776,375	12.6%
Deferred Inflows of Resources	41,155,705	40,026,612	-	-	41,155,705	40,026,612	2.8%
Total Liabilities & Deferred Inflows of Resources	\$ 106,473,211	\$ 110,533,881	\$ 242,847,653	\$ 203,269,106	\$ 349,320,864	\$ 313,802,987	11.3%
Net Position:							
Net investment in capital assets	533,874,572	498,833,003	674,835,319	641,781,131	1,208,709,891	1,140,614,134	6.0%
Restricted - Nonspendable	3,928,555	3,723,882	-	-	3,928,555	3,723,882	5.5%
Restricted	51,664,858	48,180,616	75,478,154	67,636,791	127,143,012	115,817,407	9.8%
Unrestricted	155,041,764	148,457,652	77,707,704	62,066,287	232,749,468	210,523,939	10.6%
Total Net Position	\$ 744,509,749	\$ 699,195,153	\$ 828,021,177	\$ 771,484,209	\$ 1,572,530,926	\$ 1,470,679,362	6.9%

As of December 31, 2024, the City is able to report positive balances in all three categories of net position - for the City as a whole and for the separate Governmental and Business-Type Activities. The same situation held true for the prior fiscal year.

The \$504,631,531 in current and other assets includes \$387,211,316 in general and restricted cash and investments. The restricted balance of cash and investments is \$130,159,692 for acquisition or construction of future capital assets or the payment of debt.

The largest portion of the City's total net position (76.9%) is the investment in capital assets (land, buildings, improvements, equipment, etc.); less related outstanding debt used to acquire those assets. The City of Loveland

uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending.

Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, primarily future revenue. Long-term liabilities reported in the Governmental Activities at the end of 2024 includes Certificates of Participation of \$13,985,000, compensated absences of \$6,896,533, oversizing agreements of \$708,204, financing agreements of \$10,676,254, pollution remediation of \$710,000, and a loan agreement with a balance of \$913,634. In Business-Type Activities the majority of the outstanding debt balance is made up of: Municipal Fiber bonds of \$81,135,000 excluding the premium, issued in 2019, Raw Water debt for Chimney Hollow of \$48,240,000 excluding the premium, issued in 2021, and the 2024 issuances of Stormwater bonds of \$16,490,000, excluding the premium, and Municipal Fiber Bonds of \$24,810,000, excluding the premium. The remaining debt in Business-Type activities is comprised of compensated absences of \$2,405,842, oversizing agreements of \$171,658, ARO liability for Hydro of \$675,741, ARO liability for Solar of \$350,000, and water and wastewater bonds of \$1,880,000 and \$16,980,000 respectively.

Changes in Net Position

In 2024, revenues and transfers of \$455,269,288 exceeded program expenses of \$353,417,724 for an increase in net position of \$101,851,564. This increase includes \$18,424,710 from contributed assets, \$14,318,796 in the governmental funds and \$4,105,914 in the enterprise funds, as well as \$4,566,372 for revenue restricted for capital spending in the Enterprise funds. The remaining \$78,860,482 represents the amount of on-going revenues, and additional revenues from rate increases, exceeding operating expenses. In the governmental funds, the excess can be attributed to capital expansion fees and general fee rate increases and a rise in property tax valuations. In enterprise funds, gains are substantially due to utility rate and development fee increases. Descriptions of significant activities for Governmental and Business-Type follow on the next table.

CITY OF LOVELAND, COLORADO CHANGES IN NET POSITION

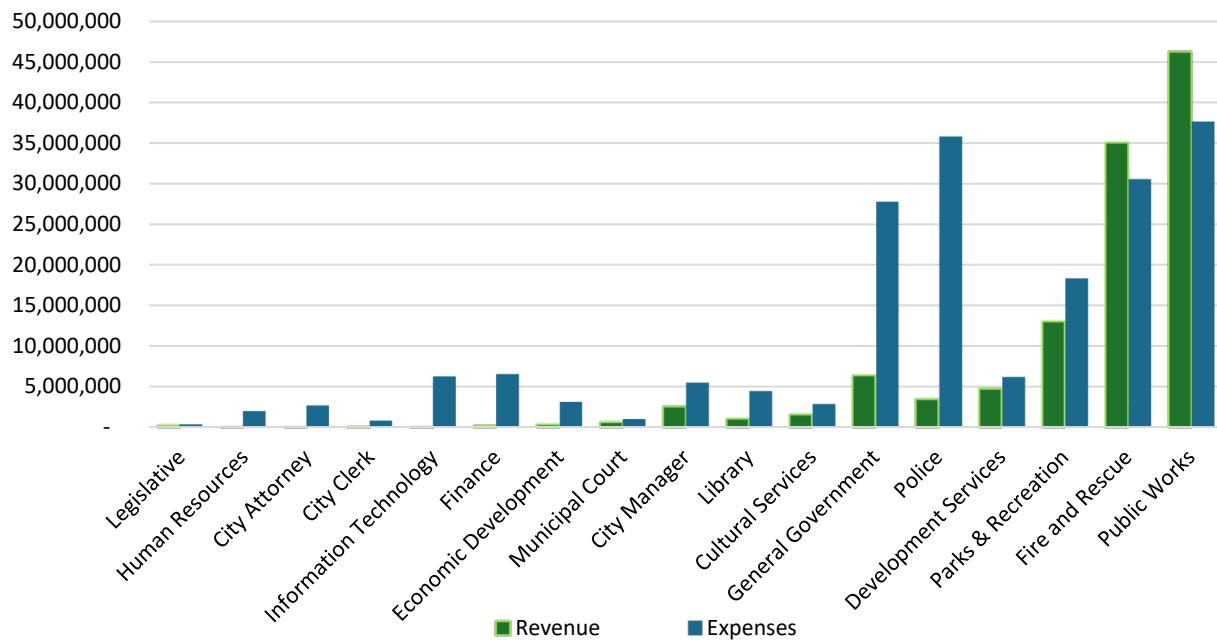
	Governmental Activities		Business-Type Activities		Total		% Change
	2024	2023	2024	2023	2024	2023	
Program Revenue							
Charges for service	\$ 48,508,193	\$ 49,381,470	\$ 178,517,153	\$ 159,344,654	\$ 227,025,346	\$ 208,726,124	8.8%
Operating grants/contributions	48,609,201	36,987,125	1,804,575	1,531,595	50,413,776	38,518,720	30.9%
Capital grants/contributions	18,713,101	19,511,232	29,359,195	31,050,807	48,072,296	50,562,039	-4.9%
General Revenues:							
Property Taxes	38,255,498	33,721,985	-	-	38,255,498	33,721,985	13.4%
Sales and Use Taxes	73,140,822	74,862,546	-	-	73,140,822	74,862,546	-2.3%
Franchise and Other Taxes	2,925,250	3,385,142	-	-	2,925,250	3,385,142	-13.6%
Investment Earnings (Loss)	7,723,253	7,719,307	7,462,475	5,412,072	15,185,728	13,131,379	15.6%
Other	136,458	622,204	114,114	28,011	250,572	650,215	-61.5%
Total Revenues	238,011,776	226,191,011	217,257,512	197,367,139	455,269,288	423,558,150	7.5%
Program Expenses:							
City Manager	5,518,390	5,597,646	-	-	5,518,390	5,597,646	-1.4%
Legislative	369,345	187,949	-	-	369,345	187,949	96.5%
City Attorney	2,684,485	1,864,301	-	-	2,684,485	1,864,301	44.0%
City Clerk	839,902	896,384	-	-	839,902	896,384	-6.3%
Municipal Court	1,042,196	802,183	-	-	1,042,196	802,183	29.9%
Finance	6,561,817	7,481,127	-	-	6,561,817	7,481,127	-12.3%
Human Resources	2,040,921	1,833,275	-	-	2,040,921	1,833,275	11.3%
Information Technology	6,280,946	6,029,139	-	-	6,280,946	6,029,139	4.2%
Economic Development	3,157,794	3,195,919	-	-	3,157,794	3,195,919	-1.2%
Development Services	6,210,419	6,232,895	-	-	6,210,419	6,232,895	-0.4%
Public Works	37,582,778	35,287,336	-	-	37,582,778	35,287,336	6.5%
Police	35,746,417	36,815,324	-	-	35,746,417	36,815,324	-2.9%
Fire & Rescue	30,524,248	28,489,609	-	-	30,524,248	28,489,609	7.1%
Parks & Recreation	18,326,199	17,600,926	-	-	18,326,199	17,600,926	4.1%
Library	4,488,361	4,089,707	-	-	4,488,361	4,089,707	9.7%
Cultural Services	2,889,771	2,791,485	-	-	2,889,771	2,791,485	3.5%
General Government	27,751,644	28,578,929	-	-	27,751,644	28,578,929	-2.9%
Interest on Long Term Debt	1,027,079	1,108,672	-	-	1,027,079	1,108,672	-7.4%
Water	-	-	24,441,338	21,234,148	24,441,338	21,234,148	15.1%
Wastewater	-	-	16,463,138	15,379,506	16,463,138	15,379,506	7.0%
Stormwater	-	-	6,545,597	5,825,855	6,545,597	5,825,855	12.4%
Electric & Communications	-	-	96,865,048	88,171,791	96,865,048	88,171,791	9.9%
Solid Waste	-	-	11,341,506	10,636,242	11,341,506	10,636,242	6.6%
Golf	-	-	4,718,385	4,395,317	4,718,385	4,395,317	7.4%
Total Expenses	193,042,712	188,882,806	160,375,012	145,642,859	353,417,724	334,525,665	5.6%
Increase in net position before transfers	44,969,064	37,308,205	56,882,500	51,724,280	101,851,564	89,032,485	14.4%
Transfers	345,532	432,578	(345,532)	(432,578)	-	-	0.0%
Increase in net position	45,314,596	37,740,783	56,536,968	51,291,702	101,851,564	89,032,485	14.4%
Net Position - Beginning	699,195,153	661,454,370	771,484,209	720,192,507	1,470,679,362	1,381,646,877	6.4%
Net Position - Ending	744,509,749	699,195,153	828,021,177	771,484,209	1,572,530,926	1,470,679,362	6.9%

Governmental Activities

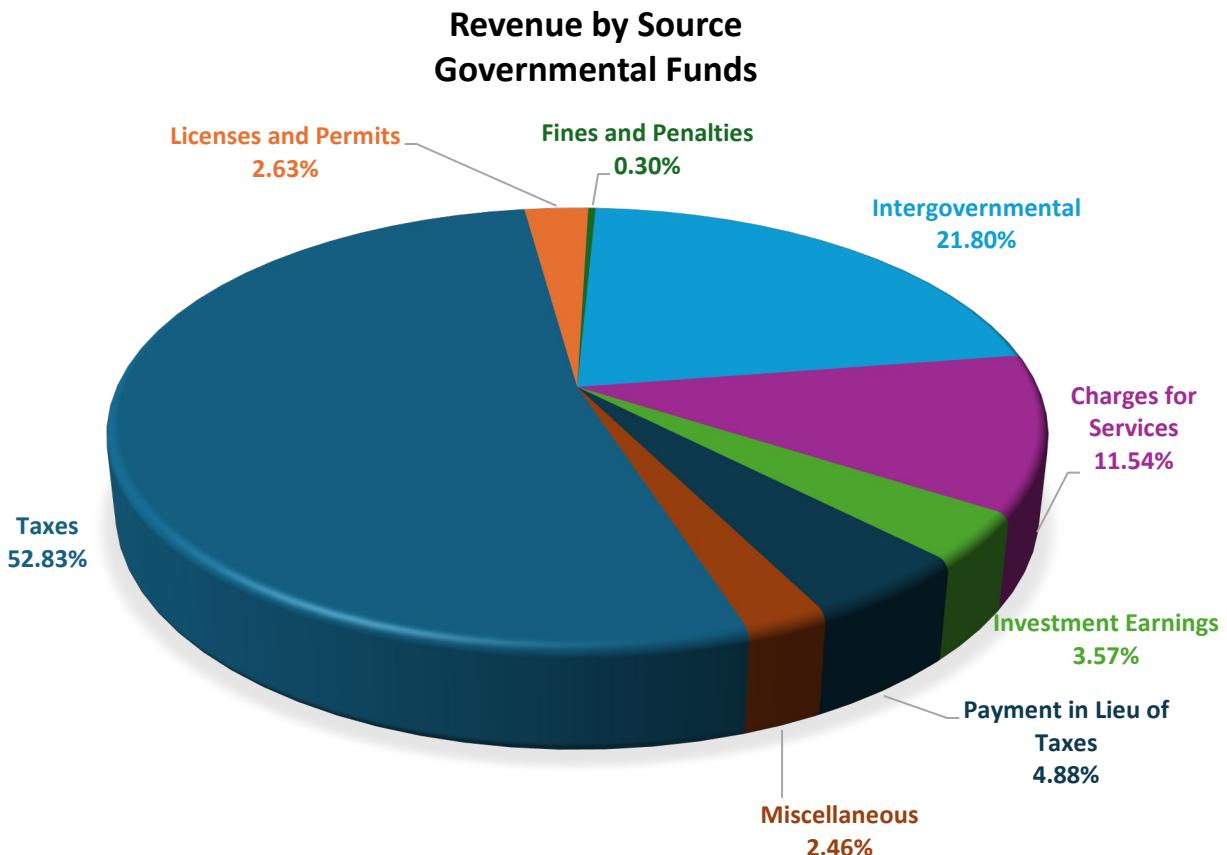
Governmental Activities increased the City's net position by \$45,314,596. Operating grants and contributions increased by \$11.6 million (31.4%) and property tax revenue also increased in 2024 by \$4,533,513 (13.4%).

The following graph compares program revenues and expenses of Governmental Activities in 2024, illustrating that the majority of expenses are related to public services and safety.

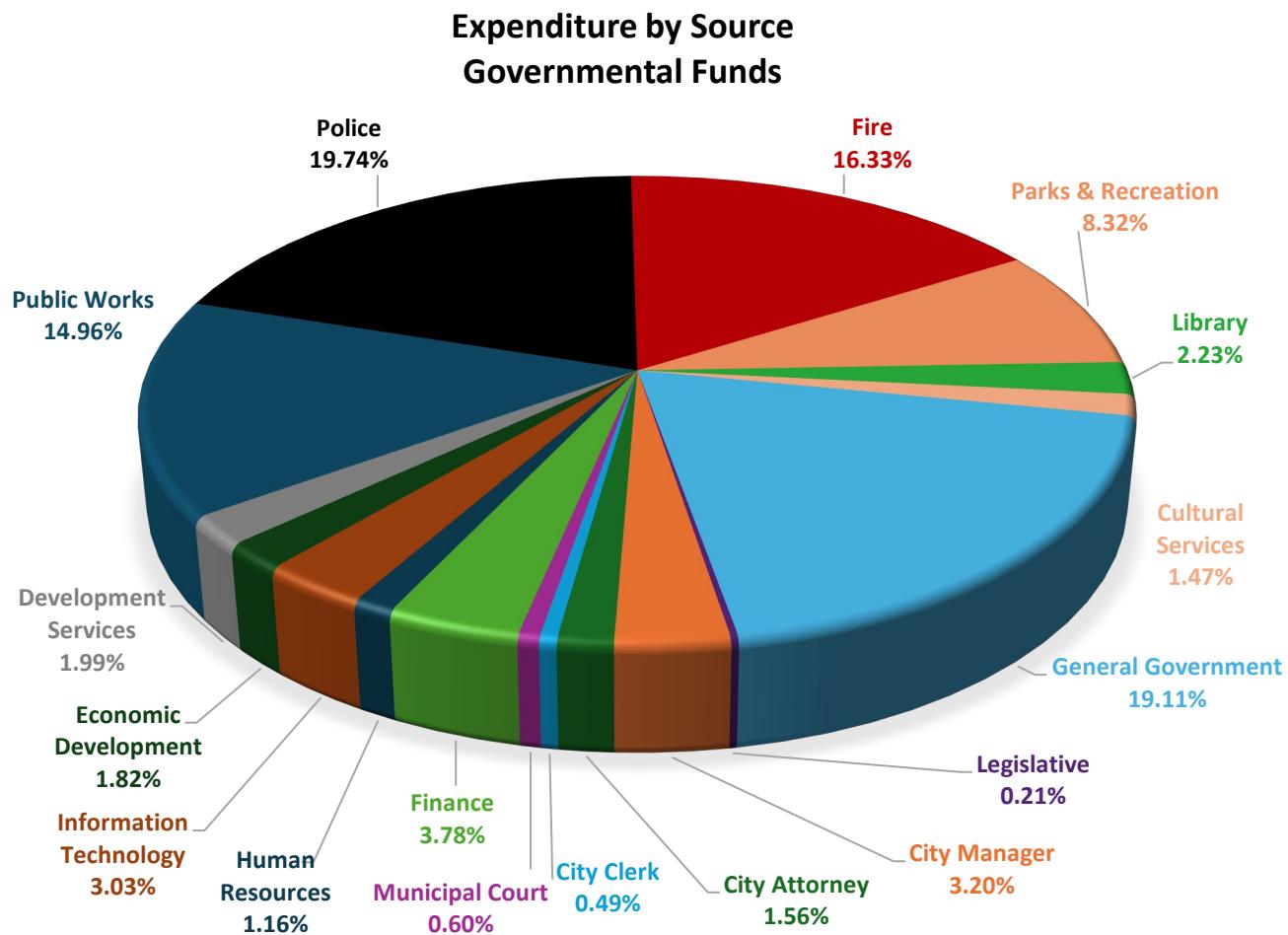
2024 Program Revenue & Expenses Governmental Activities



The following chart shows revenue by source for Governmental Funds. As can be seen below, approximately 53% of this revenue comes from taxes (sales, property, use, etc.), followed by 22% in intergovernmental revenue and 11% from charges for services provided.



This next chart shows expenditures by service area or department for Governmental Funds. Police and Fire account for over 36% of expenditures, followed by General Government at 19.11% and Public Works at 14.96%. The General Government expenses include contributions made to Loveland Fire Rescue Authority from the City's general fund, as well as collections for Centerra Crossroads that are distributed from the Loveland Urban Renewal fund. The Public Works expenses include amounts paid from the Transportation Fund for capital and maintenance projects.

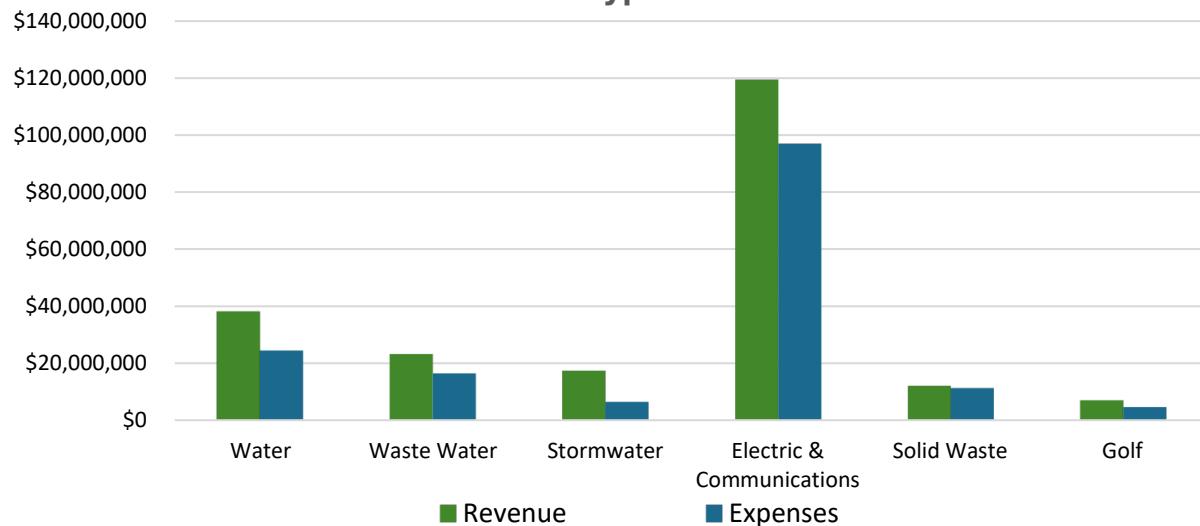


Business-Type Activities

Business-Type Activities include the City's three municipal golf courses and Loveland's city-owned utilities: Water, Electric & Communications, Wastewater, Stormwater, Solid Waste collection, and recycling services. All of these activities charge user fees designed to fully cover operating expenses. In addition, system impact fees and water acquisition fees are charged to provide for system expansion as needed. In developing areas, system improvements such as water and wastewater lines are built by the developer and contributed to the City.

As shown in the graph below, all of the City's business-type activities had higher revenues than expenses in 2024.

2024 Program Revenues & Expenses Business-Type Activities



All business activities will continue to conduct routine rate studies to guide rate setting and determine appropriate rates.

For year-end 2024, net position for the Business-Type Activities increased by \$56,536,968. Much of that increase can be attributed to rate increases for utilities and broadband service in 2024. Earnings on investments increased from \$5,412,072 in 2023 to \$7,462,475 in 2024 in the Statement of Revenues, Expenses and Changes in Net Position. This increase is due to the sale of certain investments as part of a managed portfolio, market interest rates, and accounting adjustments for the unrealized gains. The investment gains will only arise if the investments are sold prior to their maturity date.

THE CITY'S FUNDS

Information on the City's major governmental funds begins on page 32. These funds are accounted for using the modified accrual basis of accounting. Overall, the balances of these funds decreased by \$2,516,059, and the City ended the year with a combined fund balance of \$158,865,778.

The Total Governmental Funds are reported in accordance with the requirements of the Governmental Accounting Standards Board (GASB) statement No. 54, which the City implemented in 2010. Further details of GASB No. 54, and definitions of each fund balance type, can be found in the notes to the financial statements.

- Nonspendable balance of \$4,583,727 includes payments for perpetual care.
- Restricted balance of \$45,297,625 includes \$3,807,600 reserve for emergencies; \$16,099,893 for Fire and Rescue; \$9,417,764 for Open Space Acquisitions; \$4,889,100 for Parks & Recreation; \$7,369,856 for Urban Revitalization; as well as funds for Convention & Tourism, Museums, Downtown Maintenance, Library and Law Enforcement.
- Committed balances include \$67,853,003 for future capital improvements; and amounts for Art in Public Places; public education; and affordable housing.
- Assigned balances of \$790,369 are for items such as Parks Improvements, and Fiber Network.
- The unassigned balance for General Fund is \$36,244,450, which includes the required reserve established by the City's reserve policy, which was adopted in 2019. This policy sets aside 15% of expenditures to be held in reserve as a guard against economic uncertainties or for use in emergencies.

The City has a policy to maintain a reserve in the Risk & Insurance Fund, as well as a reserve in expenditures in the Employee Benefits Fund (which is a self-funded plan). For the Risk & Insurance Fund, Risk Management reviews the City's Incurred But Not Reported (IBNR)/Claims Liability in conjunction with trend to monitor the adequacy of the reserves. The current balance in the fund is \$4,391,580. The reserve will cover uninsured claims and litigation, as well as open claims from prior years to account for IBNR losses.

The City's claims administration firm has developed a similar estimate of the potential future health claims. The City targets a reserve sufficient to cover 20% of existing claims plus the estimate for future expenditures. The current target reserve is \$3,636,276 the current fund balance is \$18,263,304.

Financial Analysis of the Governmental Funds

The General Fund accounts for all of the general governmental services provided by the City. These include public safety (police and fire), public works, parks & recreation, community services, culture, library, and general administration. Funding for these services comes from a variety of sources but is heavily funded by sales and use taxes. Total General Fund revenue of \$121,238,497 increased by 1% for the year, primarily due to an increase in property tax revenue and in the amounts paid by the enterprise funds in lieu of taxes. Tax revenue increased by 1.6% in 2024 to \$87,453,291, comprising 72% of total General Fund operating revenue. The General Fund balance decreased by \$(19,664,998). The decrease in the fund balance is in-part due to the increase in transfers to the Transportation Fund to fund non-lapsing projects. A substantial decrease in sales tax revenue was also a contributing factor.

The Loveland Urban Renewal Authority (LURA) Fund revenues decreased in 2024 to \$20,761,581. Tax revenues of \$20,533,742 (98.9% of total revenues) decreased by \$270,570 or (1.3%) from 2023. Total 2024 expenditures of \$20,222,037 include the distribution of tax increment financing \$17,542,560, and school district funding of \$2,562,042.

The Transportation Fund's fund balance increased by \$19,530,817 due to one-time transfers from General Fund and the Capital Expansion Fees fund to cover non-lapsing capital projects.

Total revenues in the Capital Expansion Fees (CEF) Fund increased by \$2,072,895, (or 15.4%) from 2023, due to higher fees paid in 2024 and the investment gain adjustment. The fund balance in the CEF Fund decreased by \$4,598,576, versus an increase in 2023 of \$6,943,563. This decrease is due to transfers to the Transportation Fund of \$10,875,404 and to the Capital Project Fund of \$852,268.

Excluding transfers, the total revenue for the Loveland Fire Rescue Authority Fund was \$35,827,487 and total expenditures were \$31,962,398. The revenues include the contribution from the City of \$19,706,897. Fund balance increased by \$3,848,884. The increase in revenue was to fund future purchases of additional fire apparatus.

Financial Analysis of the Proprietary Funds

The City's Proprietary Funds provide the same type of information found in the government-wide financial statements, but in more detail. Internal service funds, although considered proprietary funds, are excluded from this analysis.

Total net position of the Proprietary Funds at year-end was \$828,021,177, an increase of \$56,536,968. Each of the Proprietary Funds had net position increases. The Water, Wastewater, and Stormwater utilities increased their net positions by \$13.6 million, \$6.7 million, \$10.9 million respectively. The most significant increase was in the Electric and Communications Fund which increased \$22,191,356 from 2023. These increases were due to rate increases, development driven revenues and growth in the broadband customer base.

General Fund Budgetary Highlights

The 2024 budget was developed with the expectation of continued revenue growth, building on trends from prior years. However, actual collections were significantly impacted by the voter approved change to the City's sales tax base—the elimination of sales tax on food for home consumption—resulting in lower-than-budgeted sales tax revenue. Following the change to the sales tax base, the Budget team quickly responded with a revised revenue forecast and worked closely with City leadership to reduce expenditures, ensuring a balanced 2024 budget. While broader economic indicators have remained relatively stable despite predictions of a potential recession, the City continues to model an economic downturn in its five-year forecasting model as a prudent planning measure. In navigating these economic and legislative uncertainties, the Budget team worked to produce a realistic and comprehensive revenue forecast for 2024 to support sound financial planning.

The City is implementing a 3.5% merit-based salary increase, in addition to a 1% pool for City Manager directed compression adjustments in 2025. These compensation adjustments assist the City of Loveland in attracting and retaining a talented and qualified workforce, and remaining competitive with other neighboring municipalities. Additionally, a City Council directed compensation study was completed in 2023, the results of which were integrated into the FY2024 budget.

The Finance Department has worked closely with the City Manager's office to refine our budget process over the past several years. Our goal is to create a comprehensive budget document that supports a balanced approach to addressing funding challenges. We aim to ensure that the budget process provides Council, citizens, and staff with a clear picture of our economic condition, enabling informed decision-making for the future of our community.

Changes we have made to the budgeting and financial reporting processes include:

- Distinguishing General Government Service Funds from Enterprise/Special Revenue Funds
- Separating “On-Going” funding requests from “One-Time” requests
- Streamlining Quarterly Financial Reporting and mirroring the format of our budget presentations
- Utilizing quarterly reviews of City income and expenses to guide budget adjustments based upon fiscal trends and other relevant factors

The City has also recently undergone a transition from a manual, paper-based budget process to an integrated cloud-based budget system. 2024 Budget documents were produced digitally via the OpenGov software platform, allowing citizens the ability to access any part of the City's budget online via informative charts and graphs. This new budget platform, and improved citizen access, helps move the City closer to achieving the City Council directive of streamlining the budget process and enhancing financial reporting and accessibility. This shift also emphasizes our commitment to transparency in financial operations and management for the City.

The City's General Fund Fiscal Contingency Reserve is anticipated to reach \$18.8 million in 2025. This reserve amount meets the minimum 15% threshold established in Loveland's [Fund Balance and Reserve Policy](#) adopted by City Council in 2019. The City's base budget, in addition to a \$24.5M planned draw-down in the General Fund from one-time capital and decision packages, leaves \$5.2M in unassigned fund balance for 2025.

Capital Assets and Debt Administration

Capital Assets

At the end of 2024, the City had \$1,416,787,287 invested in capital assets including but not limited to police and fire equipment, buildings, park facilities, roads, water, wastewater, and power lines.

Overall, in the Statement of Net Position, land, water rights and other non-depreciable assets increased by 2.5% and buildings and equipment increased by 2.9% in total for Governmental and Business-Type Activities. The following make up the largest portion of the balance in Construction in Process at the end of 2024:

Chimney Hollow Reservoir	\$ 76,315,635
Garfield & Harrison Storm Drainage Outfall	13,722,904
Taft Avenue/Eisenhower Intersection Improvements	9,557,688
South Loveland Stormwater Outfall Phase 3	8,475,857
3.5 Million Gallon Water Storage Tank and Meter Building	8,256,627
US 34 Denver Avenue to Boyd Lake Avenue Widening	8,134,795
Willow Bend Park	7,899,682

The following table summarizes capital assets net of depreciation for both governmental and business-type activities. More detailed information about the City's capital assets is presented in Note 4 to Financial Statements.

CITY OF LOVELAND, COLORADO
CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION

	Governmental Activities		Business-Type Activities		Total		Total % of Change
	2024	2023	2024	2023	2024	2023	
Land	\$ 74,335,936	\$ 70,757,466	\$ 15,787,730	\$ 15,787,730	\$ 90,123,666	\$ 86,545,196	4.1%
Art Collection	9,269,738	8,838,738	-	-	9,269,738	8,838,738	4.9%
Buildings	84,894,727	77,000,409	34,569,972	29,393,544	119,464,699	106,393,953	12.3%
Lease Assets - Buildings Improvements Other Than Buildings	4,564,900	4,777,647	3,366,565	1,048,647	7,931,465	5,826,294	36.1%
Equipment	25,389,278	26,124,896	11,145,446	9,929,200	36,534,724	36,054,096	1.3%
Lease Assets - Equipment	96,781	149,924	-	-	96,781	149,924	-35.4%
Software	936,074	1,290,767	-	-	936,074	1,290,767	-27.5%
Water rights	2,968,488	2,968,488	78,556,475	78,391,190	81,524,963	81,359,678	0.2%
Infrastructure	257,948,366	249,709,363	376,987,581	371,277,615	634,935,947	620,986,978	2.2%
Easements	10,818,940	10,632,543	46,153,897	44,795,478	56,972,837	55,428,021	2.8%
Construction in Process	52,927,937	38,205,293	165,498,002	137,240,883	218,425,939	175,446,176	24.5%
Total	\$ 565,887,739	\$ 532,523,190	\$ 850,899,548	\$ 808,496,964	\$ 1,416,787,287	\$ 1,341,020,154	5.6%

Major additions in 2024 included the following assets:

Colt North Transit Center	\$3.8 Million
Prairie Ridge Natural Area	\$3.5 Million
Olde Course Clubhouse Improvements	\$3.3 Million
CNG Fueling Station	\$1.8 Million

Debt

At year-end, the City had a number of oversizing agreements related to Streets totaling \$708,204. There were no contract amendments in 2024. Between 2013 and 2015, the City secured \$13,200,000 for improvements to the Water Treatment Plant. In addition, the City issued revenue bonds in the amount of \$52,340,000 for the City's participation in the Windy Gap Firming project, the construction of a new water storage tank, and the payoff of the 2013 Water bond. The City paid down \$180,000 of the 2015 Water bond debt and \$1,425,000 of the 2021 Water bond debt in 2024. Additionally, between 2017 and 2018, the City secured \$24,900,000 for improvements to the Wastewater Treatment Plant; the City paid down \$920,000 of this debt in 2024.

On April 24, 2019, the City closed on the City of Loveland Electric and Communication Enterprise Tax-Exempt Revenue Bonds Series 2019A and the City of Loveland Electric and Communication Enterprise Taxable Revenue Bonds Series 2019B. The combined total of net proceeds from the two bonds issued was \$95,420,361 including the bond premium. The City paid down \$2,630,000 of the debt in 2024. The Enterprise will use the proceeds from the bonds to design, build, and operate a municipal fiber network to provide communications services to the residents and customers of the Electric utility. The goal is to provide more reliable, lower cost, and better service than is currently available to the community.

In 2024, the City of Loveland secured two significant revenue bond issuances through its enterprise funds:

On March 19, 2024, the City Council authorized the issuance of up to \$19 million in tax-exempt revenue bonds through the City's Stormwater Enterprise. The City subsequently issued \$17,450,000 in Stormwater Enterprise Revenue Bonds, Series 2024, to fund several critical infrastructure projects, including the Garfield & Harrison Outfall Phases 3 and 4, the Heart Improvement Program, and an expansion of the Stormwater Division's facility.

The bonds carry a true interest cost of 3.71%, mature on August 1, 2048 (with an optional redemption date of August 1, 2034), and are supported by stormwater utility fees. The City paid down \$960,000 of the debt in 2024.

On October 29, 2024, the City of Loveland issued two Electric and Communications Enterprise Revenue Bonds to support continued investment in its municipally owned broadband utility, Pulse. The City closed on \$9,600,000 in Tax-Exempt Revenue Bonds, Series 2024A, and \$15,210,000 in Taxable Revenue Bonds, Series 2024B, for a combined total of \$24.81 million. Proceeds from these bonds will fund the buildout and ongoing support of Loveland's citywide fiber-optic network, which launched service in 2020 with the goal of providing high-speed, affordable, and reliable internet to residents and businesses. The bonds are backed by revenues from the Electric and Communications Enterprise and carry an A+ rating from S&P Global, reflecting the City's strong financial position and stable utility operations.

These bond issuances reflect the City's commitment to financing major utility infrastructure through self-supporting enterprise models, ensuring that long-term investments benefit residents without burdening the General Fund.

The details of the City's debt are summarized in Note 5 to the financial statements.

NEXT YEAR'S BUDGET AND RATES

In response to the sustained reduction in the City's sales tax revenue base following the elimination of sales tax on food for home consumption, the 2025 budget includes targeted service level reductions across multiple General Fund departments. These reductions reflect a strategic realignment of resources to adapt to the City's new revenue baseline and ensure a structurally balanced budget. While every effort was made to preserve core services, the adjustments were necessary to offset the ongoing shortfall in General Fund revenues and maintain long-term fiscal sustainability.

On March 3, 2020, the City adopted its first citywide Strategic Plan. This foundational document played a key role in guiding budget related decision-making across the eight core focus areas: Public Safety; Infrastructure & Transportation; Livability; Innovation & Organizational Excellence; Economic Vitality; Fiscal Stability & Strength; Sustainability; and Outreach, Collaboration & Engagement. Rates for the utility funds are set to cover operating costs and capital needs. Water rates will increase by 4% in 2025 to fund capital projects both at the Water Treatment Plant and for the distribution system in order to address aging infrastructure and improve reliability and redundancy. Wastewater rates will increase by 4% in 2025, to fund capital projects at the Water Reclamation Facility and for the collection system in order to address aging infrastructure, improve reliability and redundancy, and for regulatory compliance. Power rates will increase by 6.18% in 2025 to fund increases in wholesale power costs and additional rehabilitative capital needs.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT TEAM

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to illustrate the City's accountability for the revenue it receives. If you have questions about this report or need additional financial information, contact the Finance Department at 500 East Third Street, Loveland, Colorado, 80537 or access our website at <https://www.lovgov.org>.

Basic Financial Statements

Basic financial statements are accounting reports compiled in conformity with the provisions of GAAP. These statements are necessary for the fair evaluation of operations of an entity that include the balance sheet, income statement (profit and loss account), and the cash-flow statement.

City of Loveland, Colorado

Statement of Net Position

December 31, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash	\$ 10,384	\$ 8,650	\$ 19,034
Equity in Pooled Cash	44,008,975	21,847,223	65,856,198
Equity in Pooled Investments	136,859,723	54,316,669	191,176,392
Receivables (Net):			
Taxes	48,163,641	-	48,163,641
Accounts	4,734,521	16,448,479	21,183,000
Grants	8,377,661	1,907,279	10,284,940
Lease Receivable	894,390	-	894,390
Accrued Interest	804,286	588,753	1,393,039
Internal Balances	399,074	(399,074)	-
Inventory of Supplies	1,496,215	15,548,074	17,044,289
Prepaid items	11,243	-	11,243
Equity in Northern Colorado Regional Airport	18,445,673	-	18,445,673
Restricted Assets:			
Equity in Pooled Restricted Cash	20,693,570	66,149,466	86,843,036
Equity in Pooled Restricted Investments	-	43,316,656	43,316,656
Capital Assets:			
Land, Water Rights and Other Assets not Being Depreciated	97,393,102	140,498,102	237,891,204
Building, Improvements and Equipment, Net of Depreciation	415,566,700	544,903,444	960,470,144
Construction in Progress	52,927,937	165,498,002	218,425,939
Total Assets	850,787,095	1,070,631,723	1,921,418,818
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Items	195,865	-	195,865
Asset Retirement Obligation	-	237,107	237,107
Total Deferred Outflows of Resources	195,865	237,107	432,972
LIABILITIES			
Accounts Payable	16,687,384	17,712,712	34,400,096
Accrued Liabilities	5,137,400	3,341,974	8,479,374
Deposits	2,510,284	8,309,188	10,819,472
Long-term Liabilities:			
Due Within One Year:			
Leases & Subscription Based IT Agreements	495,931	269,274	765,205
Equipment Financing Agreements	-	133,659	133,659
Bonds, Notes, Compensated Absences	4,959,383	7,817,884	12,777,267
ARO Liability - Hydro	-	675,741	675,741
Pollution Remediation	710,000	-	710,000
Due In More Than One Year:			
Pension Liability	1,362,737	-	1,362,737
Leases & Subscription Based IT Agreements	5,234,145	3,158,072	8,392,217
Equipment Financing Agreements	-	221,416	221,416
Bonds, Notes, Compensated Absences	28,220,242	200,857,733	229,077,975
ARO Liability - Solar	-	350,000	350,000
Total Liabilities	65,317,506	242,847,653	308,165,159
DEFERRED INFLOWS OF RESOURCES			
Deferred Property Taxes	40,335,672	-	40,335,672
Lease Revenue	820,033	-	820,033
Total Deferred Inflows of Resources	41,155,705	-	41,155,705
NET POSITION			
Net Investment in Capital Assets	533,874,572	674,835,319	1,208,709,891
Restricted - Nonspendable	3,928,555	-	3,928,555
Restricted:			
Future Capital Improvements	-	75,478,154	75,478,154
Tabor 3% Emergency Reserve	3,807,600	-	3,807,600
Conservation Trust Fund	4,423,597	-	4,423,597
Open Space Acquisitions	9,417,764	-	9,417,764
Fire and Rescue	16,099,893	-	16,099,893
Urban Revitalization	7,369,856	-	7,369,856
Capital and Operating Grants	6,583,434	-	6,583,434
Other	3,962,714	-	3,962,714
Unrestricted	155,041,764	77,707,704	232,749,468
Total Net Position	\$ 744,509,749	\$ 828,021,177	\$ 1,572,530,926

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

City of Loveland, Colorado
Statement of Activities
For the Year Ended December 31, 2024

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions
Governmental Activities:				
City Manager	\$ 5,518,390	\$ 66,972	\$ 2,525,534	\$ -
Legislative	369,345	-	250,000	-
City Attorney	2,684,485	48,000	-	-
City Clerk	839,902	82,794	-	-
Municipal Court	1,042,196	646,169	2,575	-
Finance	6,561,817	195,816	-	-
Human Resources	2,040,921	-	35,607	-
Information Technology	6,280,946	-	5,524	-
Economic Development	3,157,794	317,527	38,699	-
Development Services	6,210,419	4,653,597	94,285	-
Public Works	37,582,778	19,815,227	9,158,118	17,220,756
Police	35,746,417	2,902,204	569,155	-
Fire and Rescue	30,524,248	5,400,251	29,650,951	-
Parks & Recreation	18,326,199	11,453,603	71,210	1,492,345
Library	4,488,361	640,011	456,725	-
Cultural Services	2,889,771	1,164,499	448,119	-
General Government	27,751,644	1,121,523	5,302,699	-
Interest on long term debt	1,027,079	-	-	-
Total Governmental Activities	193,042,712	48,508,193	48,609,201	18,713,101
Business-Type Activities				
Water	24,441,338	27,669,242	1,472,449	7,055,586
Wastewater	16,463,138	19,005,571	34,611	3,370,541
Stormwater	6,545,597	11,950,068	70,495	4,196,790
Electric & Communications	96,865,048	101,371,692	224,384	14,711,506
Solid Waste	11,341,506	11,730,499	2,636	24,772
Golf	4,718,385	6,790,081	-	-
Total Business-Type Activities	160,375,012	178,517,153	1,804,575	29,359,195
City Total	\$ 353,417,724	\$ 227,025,346	\$ 50,413,776	\$ 48,072,296
General revenues:				
Property Taxes				
Sales and Use Taxes				
Franchise Taxes				
Other Taxes				
Investment Earnings (Loss)				
Gain on Sale of Assets				
Transfers				
Total General Revenues and Transfers				
Change in Net Position				
Net Position - Beginning				
Net Position - Ending				

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

**Net (Expenses) Revenue and
Change in Net Position**

Governmental Activities	Business-Type Activities	Totals
\$ (2,925,884)	- \$ (2,925,884)	
(119,345)	- (119,345)	
(2,636,485)	- (2,636,485)	
(757,108)	- (757,108)	
(393,452)	- (393,452)	
(6,366,001)	- (6,366,001)	
(2,005,314)	- (2,005,314)	
(6,275,422)	- (6,275,422)	
(2,801,568)	- (2,801,568)	
(1,462,537)	- (1,462,537)	
8,611,323	- 8,611,323	
(32,275,058)	- (32,275,058)	
4,526,954	- 4,526,954	
(5,309,041)	- (5,309,041)	
(3,391,625)	- (3,391,625)	
(1,277,153)	- (1,277,153)	
(21,327,422)	- (21,327,422)	
(1,027,079)	- (1,027,079)	
(77,212,217)	-	(77,212,217)
- 11,755,939	11,755,939	
- 5,947,585	5,947,585	
- 9,671,756	9,671,756	
- 19,442,534	19,442,534	
- 416,401	416,401	
- 2,071,696	2,071,696	
- 49,305,911	49,305,911	49,305,911
\$ (77,212,217)	\$ 49,305,911	\$ (27,906,306)
38,255,498	- 38,255,498	
73,140,822	- 73,140,822	
1,621,742	- 1,621,742	
1,303,508	- 1,303,508	
7,723,253	7,462,475	15,185,728
136,458	114,114	250,572
345,532	(345,532)	-
122,526,813	7,231,057	129,757,870
45,314,596	56,536,968	101,851,564
699,195,153	771,484,209	1,470,679,362
\$ 744,509,749	\$ 828,021,177	\$ 1,572,530,926

City of Loveland, Colorado

Balance Sheet

Governmental Fund Types

December 31, 2024

	General	Loveland Urban Renewal Authority	Transportation	Capital Expansion Fees
ASSETS				
Cash	\$ 10,084	\$ -	\$ -	\$ -
Equity in Pooled Cash	317,444	1,084,904	11,112,030	10,354,464
Equity in Pooled Investments	44,437,910	-	235,731	39,371,857
Receivables (Net):				
Taxes	23,286,330	23,019,337	22,022	-
Accounts	1,310,187	406,977	821,689	-
Grants	1,500,610	-	4,109,369	3,471
Lease Receivable	-	-	-	142,356
Due from Other Funds	1,185,988	-	7,697,148	-
Accrued Interest	206,273	22,355	859	216,000
Interfund Loan Receivables	15,801	-	-	1,016,214
Inventory	-	-	589,095	-
Prepaid items	11,243	-	-	-
Equity in Pooled Restricted Cash	1,830,447	5,222,145	-	-
Total Assets	74,112,317	29,755,718	24,587,943	51,104,362
LIABILITIES				
Accounts Payable	4,091,935	3,066,569	1,112,271	645,732
Accrued Liabilities	2,230,381	-	263,934	3,593
Due to Other Funds	7,812,470	-	250,000	-
Interfund Loan Payable	280,742	815,079	-	-
Total Liabilities	14,415,528	3,881,648	1,626,205	649,325
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Taxes	16,120,532	23,019,337	-	-
Deferred Inflow from Leases	-	-	-	136,397
Unavailable Other Revenue	798,717	-	3,818,595	3,471
Total Deferred Inflows of Resources	16,919,249	23,019,337	3,818,595	139,868
Total Liabilities and Deferred Inflows of Resources	31,334,777	26,900,985	5,444,800	789,193
Fund Balances:				
Nonspendable	27,044	-	589,095	-
Restricted	5,215,361	2,854,733	-	-
Committed	1,290,685	-	18,554,048	50,315,169
Assigned	-	-	-	-
Unassigned	36,244,450	-	-	-
Total Fund Balances	42,777,540	2,854,733	19,143,143	50,315,169
Total Liabilities and Fund Balances	\$ 74,112,317	\$ 29,755,718	\$ 24,587,943	\$ 51,104,362

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

City of Loveland, Colorado

Balance Sheet

Governmental Fund Types

December 31, 2024

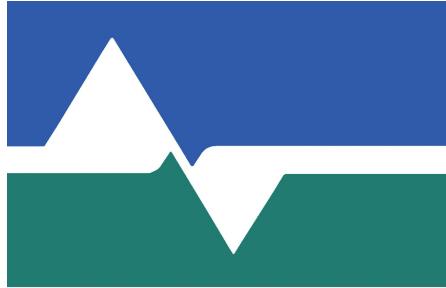
	Loveland Fire Rescue Authority	Capital Project Funds	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash	\$ -	\$ -	\$ 300	\$ 10,384
Equity in Pooled Cash	59,845	2,238,450	5,912,266	31,079,403
Equity in Pooled Investments	7,642,534	3,462,013	17,514,246	112,664,291
Receivables (Net):				
Taxes	-	-	1,835,952	48,163,641
Accounts	1,623,095	-	431,749	4,593,697
Grants	-	2,050,765	713,446	8,377,661
Lease Receivable	-	-	752,034	894,390
Due from Other Funds	-	-	115,322	8,998,458
Accrued Interest	92,026	22,164	103,255	662,932
Interfund Loan Receivables	-	-	-	1,032,015
Inventory	-	-	39,033	628,128
Prepaid items	-	-	-	11,243
Equity in Pooled Restricted Cash	8,683,001	-	4,722,251	20,457,844
Total Assets	18,100,501	7,773,392	32,139,854	237,574,087
LIABILITIES				
Accounts Payable	863,277	6,228,899	804,642	16,813,325
Accrued Liabilities	1,137,331	-	93,934	3,729,173
Due to Other Funds	-	-	525,000	8,587,470
Interfund Loan Payable	-	-	-	1,095,821
Total Liabilities	2,000,608	6,228,899	1,423,576	30,225,789
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Taxes	-	-	1,195,803	40,335,672
Deferred Inflow from Leases	-	-	683,636	820,033
Unavailable Other Revenue	-	2,050,765	655,267	7,326,815
Total Deferred Inflows of Resources	-	2,050,765	2,534,706	48,482,520
Total Liabilities and Deferred Inflows of Resources	2,000,608	8,279,664	3,958,282	78,708,309
Fund Balances:				
Nonspendable	-	-	3,967,588	4,583,727
Restricted	16,099,893	-	21,127,638	45,297,625
Committed	-	-	2,362,932	72,522,834
Assigned	-	-	790,369	790,369
Unassigned	-	(506,272)	(66,955)	35,671,223
Total Fund Balances	16,099,893	(506,272)	28,181,572	158,865,778
Total Liabilities and Fund Balances	\$ 18,100,501	\$ 7,773,392	\$ 32,139,854	\$ 237,574,087

City of Loveland, Colorado
Reconciliation of the Balance Sheet To
the Government-wide Net Position
December 31, 2024

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets and lease assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	553,120,529
City's joint venture equity interest in Northern Colorado Regional Airport	18,445,673
City's Net Pension Liability	(1,362,737)
Certain deferred inflows of resources represent unavailable revenue which revenue does not represent current available resources. These revenues are eliminated at the activity level.	7,326,815
Certain deferred outflows/inflows of resources represent deferred expenses relating to pension expenses	195,865
Pollution Remediation	(710,000)
An internal service fund is used by management to charge the costs of employee benefits, risk and insurance, and vehicle maintenance to individual funds. The assets and liabilities of the internal service fund are included in government activities in the statement of net position.	47,152,863
Leases and Subscriptions Payable	(5,586,430)
Long-term liabilities are not due and payable in the current period and are not reported in the funds.	
(Accrued Leave \$6,655,514, Certificates of Participation \$13,985,000, Financing Agreement, \$9,980,000, Equipment Financing Agreement, \$696,254, Bank Loan, \$913,634 and developer oversizing agreements \$708,204)	<u>(32,938,606)</u>
Net Position of Governmental Activities	<u>\$ 744,509,749</u>

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City of Loveland, Colorado
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Fund Types
For the Year Ended December 31, 2024

	General	Loveland Urban Renewal Authority	Transportation	Capital Expansion Fees	Loveland Fire Rescue Authority
Revenues:					
Taxes	\$ 87,453,291	\$ 20,533,742	\$ 108,321	\$ -	\$ -
Licenses and Permits	4,779,293	-	292,862	-	615,084
Fines and Penalties	642,298	-	-	-	-
Intergovernmental	7,137,680	-	6,905,440	1,028,746	29,622,595
Charges for Services	5,858,160	-	4,640,796	11,879,721	2,229,818
Investment Earnings (Loss)	2,737,998	217,839	5,285	2,525,095	776,285
Payment in Lieu of Taxes	10,560,780	-	-	-	-
Miscellaneous	2,068,997	10,000	146,478	74,206	2,583,705
Total Revenues	121,238,497	20,761,581	12,099,182	15,507,768	35,827,487
Expenditures:					
Current:					
Legislative	369,345	-	-	-	-
City Manager	5,225,897	-	-	-	-
City Attorney	2,737,810	-	-	-	-
City Clerk	853,153	-	-	-	-
Municipal Court	1,051,230	-	-	-	-
Finance	6,608,187	-	-	-	-
Human Resources	2,022,363	-	-	-	-
Information Technology	5,279,367	-	-	-	-
Economic Development	1,481,315	-	-	-	-
Development Services	3,484,568	-	-	-	-
Public Works	10,574,709	-	13,979,618	226,670	-
Police	34,110,209	-	-	6,475	-
Fire	-	-	-	-	28,571,463
Parks & Recreation	12,070,806	-	-	82,410	-
Library	3,893,545	-	-	-	-
Cultural Services	2,576,862	-	-	-	-
General Government	12,134,855	20,189,904	-	152,456	-
Capital Outlay	3,963,462	-	14,126,911	7,848,128	2,488,651
Debt service					
Principal	831,095	-	-	-	637,639
Interest and debt service costs	698,411	32,133	31,124	-	264,645
Total Expenditures	109,967,189	20,222,037	28,137,653	8,316,139	31,962,398
Excess (Deficiency) of Revenues Over (Under) Expenditures	11,271,308	539,544	(16,038,471)	7,191,629	3,865,089
Other Financing Sources (Uses):					
Transfers In	744,924	-	35,664,136	-	-
Transfers (Out)	(31,681,230)	(2,458,497)	(94,848)	(11,790,205)	(16,205)
Total Other Financing Sources (Uses)	(30,936,306)	(2,458,497)	35,569,288	(11,790,205)	(16,205)
Net Change in Fund Balance	(19,664,998)	(1,918,953)	19,530,817	(4,598,576)	3,848,884
Fund Balances--Beginning	62,442,538	4,773,686	(387,674)	54,913,745	12,251,009
Fund Balances--Ending	\$ 42,777,540	\$ 2,854,733	\$ 19,143,143	\$ 50,315,169	\$ 16,099,893

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

Capital Project Funds	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 6,226,216	\$ 114,321,570
-	-	5,687,239
-	-	642,298
42,811	2,441,580	47,178,852
-	357,626	24,966,121
203,774	1,256,977	7,723,253
-	-	10,560,780
63,000	372,115	5,318,501
309,585	10,654,514	216,398,614

-	-	369,345
-	378,160	5,604,057
-	-	2,737,810
-	-	853,153
-	-	1,051,230
-	-	6,608,187
-	-	2,022,363
-	24,984	5,304,351
-	1,702,047	3,183,362
-	-	3,484,568
789,232	595,668	26,165,897
-	412,090	34,528,774
-	-	28,571,463
-	2,404,842	14,558,058
-	-	3,893,545
-	-	2,576,862
-	960,743	33,437,958
6,744,275	6,678,185	41,849,612
-	86,377	1,555,111
-	31,890	1,058,203
7,533,507	13,274,986	219,413,909

(7,223,922)	(2,620,472)	(3,015,295)
7,541,241	3,960,779	47,911,080
(52,373)	(1,318,486)	(47,411,844)
7,488,868	2,642,293	499,236
264,946	21,821	(2,516,059)
(771,218)	28,159,751	161,381,837
\$ (506,272)	\$ 28,181,572	\$ 158,865,778

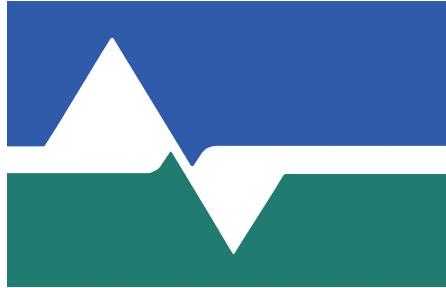
City of Loveland, Colorado**Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds To
the Statement of Activities
For the Year Ended December 31, 2024**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ (2,516,059)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays \$41,849,612 exceeded depreciation \$22,949,876 in the current period.	18,899,736
The net effect of various miscellaneous transactions involving capital assets (i.e. deletions, sales, trade-ins, and donations) is to increase net position. This includes contributions of streets and easements by developers and loss on disposal of capital assets.	14,178,366
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This includes accounts receivable not collected in 60 days.	2,985,791
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 the governmental funds. This includes an decrease in accrued leave \$34,549, a decrease in the Net Pension Liability and related deferred inflows/outflows \$88,460, and a decrease in Pollution Remediation \$420,000.	543,009
Revenues that are recorded for the Airport joint venture in the statement of activities that are not reported as revenues in the funds.	4,308,575
Principal payments on long term debt	1,129,005
Lease Assets Transactions	(25,749)
Internal service funds are used by management to charge the costs to various services to individual funds. The net revenue (loss) of certain activities of the internal service funds is reported with governmental funds.	5,811,922
<u>Change in net position of governmental activities</u>	<u>\$ 45,314,596</u>

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

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City of Loveland, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2024

	Business-Type Activities - Enterprise Funds			
	Water	Waste Water	Stormwater	Electric & Communications
ASSETS				
Current Assets:				
Cash	\$ -	\$ -	\$ -	\$ 2,850
Equity in Pooled Cash	4,304,093	7,126,534	577,752	5,655,208
Equity in Pooled Investments	8,101,654	10,560,815	5,203,431	20,668,543
Receivables, Net	2,215,827	2,080,220	2,544,952	10,251,103
Due From Other Funds	-	-	11,914	-
Accrued Interest	173,396	82,935	60,517	217,792
Inventory, at Cost	508,121	6,816	-	14,643,560
Total Current Assets	15,303,091	19,857,320	8,398,566	51,439,056
Non-current Assets:				
Interfund Loan Receivable	-	-	-	-
Restricted Assets:				
Future Raw Water Projects Restricted Cash	1,418,015	-	-	-
Future Easement Improvements Restricted Cash	-	-	-	-
Equity in Pooled Restricted Cash	9,352,422	1,536,453	19,674,487	27,330,032
Reservoir Improvements Restricted Cash	-	-	-	-
System Impact Fees	-	-	6,540,318	-
Equity in Pooled Restricted Investments	18,753,937	2,150,933	2,012,620	20,291,599
Total Restricted Assets	29,524,374	3,687,386	28,227,425	47,621,631
Capital Assets:				
Land	4,046,605	1,288,656	6,181,999	3,214,969
Intangible Assets/Easements	10,403,210	10,546,446	10,767,747	14,436,493
Buildings	7,208,834	25,579,949	94,184	5,179,139
Lease Assets - Buildings	182,117	-	-	3,395,280
Equipment	4,353,191	4,902,067	4,020,984	8,537,073
Lease Assets - Equipment	-	-	-	-
Improvements Other Than Buildings	219,169,669	128,801,107	67,796,487	313,643,028
Water Rights	78,461,975	-	-	-
Construction in Progress	99,549,357	2,941,990	28,476,023	32,172,556
Total Capital Assets	423,374,958	174,060,215	117,337,424	380,578,538
Accumulated Depreciation	(79,452,170)	(52,688,675)	(23,264,330)	(104,137,275)
Net Capital Assets	343,922,788	121,371,540	94,073,094	276,441,263
Total Non-Current Assets	373,447,162	125,058,926	122,300,519	324,062,894
Total Assets	\$ 388,750,253	\$ 144,916,246	\$ 130,699,085	\$ 375,501,950
Deferred Outflows of Resources:				
Asset Retirement Obligation	-	-	-	237,107

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

City of Loveland, Colorado

Statement of Net Position

Proprietary Funds

December 31, 2024

(Continued)

Business-Type Activities - Enterprise Funds			Governmental Activities Internal Service
Solid Waste	Golf	Totals	
\$ 1,600	\$ 4,200	\$ 8,650	\$ -
868,344	3,315,292	21,847,223	12,929,572
5,414,721	4,367,505	54,316,669	24,195,432
1,058,435	205,221	18,355,758	140,824
-	-	11,914	-
23,583	30,530	588,753	141,354
302,109	87,468	15,548,074	868,087
<u>7,668,792</u>	<u>8,010,216</u>	<u>110,677,041</u>	<u>38,275,269</u>
-	-	-	<u>63,805</u>
-	-	1,418,015	-
-	98,102	98,102	-
10,046	-	57,903,440	235,726
-	189,591	189,591	-
-	-	6,540,318	-
107,567	-	43,316,656	-
<u>117,613</u>	<u>287,693</u>	<u>109,466,122</u>	<u>235,726</u>
-	1,055,502	15,787,731	209,516
-	-	46,153,896	-
378,098	7,875,582	46,315,786	3,745,732
-	-	3,577,397	148,662
13,071,978	3,663,178	38,548,471	22,032,888
-	-	-	198,983
232,356	9,867,574	739,510,221	-
-	94,500	78,556,475	-
2,103,982	254,094	165,498,002	2,648,940
15,786,414	22,810,430	1,133,947,979	28,984,721
(9,865,119)	(13,640,862)	(283,048,431)	(16,217,509)
<u>5,921,295</u>	<u>9,169,568</u>	<u>850,899,548</u>	<u>12,767,212</u>
<u>6,038,908</u>	<u>9,457,261</u>	<u>960,365,670</u>	<u>13,066,743</u>
<u>\$ 13,707,700</u>	<u>\$ 17,467,477</u>	<u>\$ 1,071,042,711</u>	<u>\$ 51,342,012</u>
-	-	237,107	-

City of Loveland, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2024
(Continued)

	Business-Type Activities - Enterprise Funds			
	Water	Waste Water	Stormwater	Electric & Communications
LIABILITIES				
Current Liabilities:				
Accounts Payable	2,362,541	382,080	4,623,864	9,547,153
Lease Payable	174,965	-	-	3,252,382
Accrued Liabilities	1,028,969	551,980	420,039	1,081,103
Due to Other Funds	-	-	-	410,988
Deposits	-	-	-	8,309,188
ARO Liability - Hydro	-	-	-	675,741
Compensated Absences	318,071	205,824	101,891	504,587
Equipment Financing Agreement - Current	-	-	-	-
Bond Payable - Current	1,983,298	955,000	423,522	3,132,851
Total Current Liabilities	5,867,844	2,094,884	5,569,316	26,913,993
Long-Term Liabilities:				
Compensated Absences	260,240	168,402	83,365	412,844
Equipment Financing Agreement	-	-	-	-
Bond Payable	55,006,622	16,025,000	17,249,198	111,322,626
ARO Liability - Solar	-	-	-	350,000
Total Long-Term Liabilities	55,266,862	16,193,402	17,332,563	112,085,470
Total Liabilities	61,134,706	18,288,286	22,901,879	138,999,463
NET POSITION				
Net Investment in Capital Assets	286,684,685	104,293,100	92,839,503	176,282,243
Restricted for Future Capital Improvements	29,524,374	3,687,386	11,788,296	30,072,792
Restricted - Health Claims & Admin	-	-	-	-
Unrestricted	11,406,488	18,647,474	3,169,407	30,384,559
Total Net Position	\$ 327,615,547	\$ 126,627,960	\$ 107,797,206	\$ 236,739,594

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

City of Loveland, Colorado

Statement of Net Position

Proprietary Funds

December 31, 2024

(Continued)

Business-Type Activities - Enterprise Funds			Governmental Activities
Solid Waste	Golf	Totals	Internal Service
185,987	782,744	17,884,369	2,384,343
-	-	3,427,347	143,646
176,563	83,320	3,341,974	1,408,227
-	-	410,988	11,914
-	-	8,309,188	-
-	-	675,741	-
105,289	87,551	1,323,213	132,560
-	133,659	133,659	-
-	-	6,494,671	-
467,839	1,087,274	42,001,150	4,080,690
86,146	71,632	1,082,629	108,459
-	221,416	221,416	-
-	-	199,603,446	-
-	-	350,000	-
86,146	293,048	201,257,491	108,459
553,985	1,380,322	243,258,641	4,189,149
5,921,295	8,814,493	674,835,319	12,631,702
117,613	287,693	75,478,154	-
-	-	-	235,726
7,114,807	6,984,969	77,707,704	34,285,435
\$ 13,153,715	\$ 16,087,155	\$ 828,021,177	\$ 47,152,863

City of Loveland, Colorado

Statement of Revenues, Expenses, and Changes in Fund Net Position

Proprietary Funds

For the Year Ended December 31, 2024

	Business-Type Activities - Enterprise Funds			
	Water	Waste Water	Stormwater	Electric & Communications
Operating Revenues:				
Charges for Services	\$ 24,385,983	\$ 18,943,242	\$ 11,883,154	\$ 100,175,086
Miscellaneous	3,485,228	96,940	67,172	1,420,990
Total Operating Revenues	27,871,211	19,040,182	11,950,326	101,596,076
Operating Expenses:				
Personal Services	7,629,965	5,584,080	2,001,853	11,367,701
Supplies	1,853,523	718,097	64,232	902,167
Purchased Services	7,360,003	4,052,764	1,758,466	9,723,971
Purchased Power	-	-	-	53,896,407
Payment for Services	1,595,087	1,230,733	611,436	6,388,048
Depreciation	4,623,703	4,154,453	1,498,953	10,463,465
Total Operating Expenses	23,062,281	15,740,127	5,934,940	92,741,759
Net Operating Income (loss)	4,808,930	3,300,055	6,015,386	8,854,317
Nonoperating Revenues (Expenses):				
Investment Gain (Loss)	1,998,681	780,632	1,236,155	2,803,749
Capital Contributions:				
Bond Expenses	(2,075)	(826)	(163,046)	(255,988)
Interest and debt service costs	(1,376,982)	(722,185)	(447,611)	(3,867,301)
Gain (Loss) on Sale of Capital Assets	(11,120)	(13,662)	84,870	44,141
Total Nonoperating Revenues (Expense)	608,504	43,959	710,368	(1,275,399)
Net Income (Loss) Before Contributions				
and Transfers	5,417,434	3,344,014	6,725,754	7,578,918
System Impact/Development Fees	4,509,373	2,467,314	306,064	4,366,513
Contributed Assets	534,930	305,464	2,751,152	489,596
Aid to Construction	-	525,600	-	9,855,397
Raw Water Development Fees	1,270,479	-	-	-
Cash in Lieu of Water Rights	2,011,283	-	-	-
Capital Grant Contributions	-	72,163	1,209,811	-
Transfers In	-	-	225	1,047,282
Transfers (Out)	(148,074)	(34,478)	(64,115)	(1,146,350)
Change in Net Position	13,595,425	6,680,077	10,928,891	22,191,356
Total Net Position - Beginning	314,020,122	119,947,883	96,868,315	214,548,238
Total Net Position - Ending	\$ 327,615,547	\$ 126,627,960	\$ 107,797,206	\$ 236,739,594

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

Business-Type Activities - Enterprise Funds			Governmental Activities Internal Service	
Solid Waste	Golf	Totals		
\$ 11,568,432	\$ 6,788,633	\$ 173,744,530	\$ 32,418,726	
162,067	1,448	5,233,845	240,784	
11,730,499	6,790,081	178,978,375	32,659,510	
3,736,937	2,772,176	33,092,712	3,126,225	
285,125	590,182	4,413,326	3,101,390	
5,590,136	831,176	29,316,516	20,067,823	
-	-	53,896,407	-	
735,477	-	10,560,781	-	
975,613	509,963	22,226,150	2,133,310	
11,323,288	4,703,497	153,505,892	28,428,748	
407,211	2,086,584	25,472,483	4,230,762	
371,007	272,251	7,462,475	1,505,419	
-	-	(421,935)	-	
(18,218)	(14,888)	(6,447,185)	(5,478)	
8,200	1,685	114,114	234,923	
360,989	259,048	707,469	1,734,864	
768,200	2,345,632	26,179,952	5,965,626	
-	-	11,649,264	-	
24,772	-	4,105,914	-	
-	-	10,380,997	-	
-	-	1,270,479	-	
-	-	2,011,283	-	
2,636	-	1,284,610	-	
-	-	1,047,507	-	
-	(21)	(1,393,038)	(153,704)	
795,608	2,345,611	56,536,968	5,811,922	
12,358,107	13,741,544	771,484,209	41,340,941	
\$ 13,153,715	\$ 16,087,155	\$ 828,021,177	\$ 47,152,863	

City of Loveland, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2024

	Business-Type Activities - Enterprise Funds		
	Water	Waste Water	Stormwater
Cash Flows from Operating Activities:			
Cash Received from Customers	\$ 24,478,195	\$ 18,874,264	\$ 11,890,955
Cash Received from Interfund Services	-	-	-
Cash Payments for Goods and Services	(10,484,756)	(6,821,755)	(1,356,187)
Cash Payments to Employees	(7,492,902)	(5,503,608)	(1,969,265)
Other Receipts	3,250,161	97,839	67,169
Net Cash Provided by Operating Activities	9,750,698	6,646,740	8,632,672
Cash Flows from Non-Capital Financing Activities:			
Repayments received on Interfund Loans receivable	-	-	-
Transfers In	-	-	225
Transfers Out	(148,075)	(34,478)	(64,115)
Net Cash Used by Non-Capital Financing Activities	(148,075)	(34,478)	(63,890)
Cash Flows from Capital and Related Financing Activities			
System Impact/Development Fees	4,509,373	2,467,484	306,064
Proceeds on Sale of Capital Assets	-	-	84,870
Payments for Capital Acquisition	(15,482,981)	(4,588,364)	(9,135,207)
Payments for Finance Contracts	(54,262)	-	-
Raw Water Development Fees	1,270,479	-	-
Capital Grant Contributions	72,163	72,163	284,584
Due to/Due from	-	-	(11,914)
Cash in Lieu of Water Rights	2,011,283	-	-
Aid to Construction	-	525,600	-
Debt Principal proceeds (payments)	(1,605,000)	(920,000)	16,490,000
Bond Expenses	(2,075)	(825)	-
Interest Received (Paid)	(1,711,482)	(737,940)	884,021
Net Cash Used by Capital and Related Financing Activities	(10,992,502)	(3,181,882)	8,902,418
Cash Flows from Investing Activities:			
Purchase of Investments	(10,213,783)	(5,525,274)	(2,765,437)
Proceeds from Sale of Investments	16,185,478	5,105,773	3,137,725
Investment Earnings	1,136,215	488,128	1,051,262
Net Cash Flows Provided by Investing Activities	7,107,910	68,627	1,423,550
Net Increase (Decrease) in Cash and Cash Equivalents	5,718,031	3,499,007	18,894,750
Cash and Cash Equivalents - Jan. 1	9,356,499	5,163,980	7,897,807
Cash and Cash Equivalents - Dec. 31	\$ 15,074,530	\$ 8,662,987	\$ 26,792,557
Reconciliation of Operating Income to Net			
Operating Income	\$ 4,808,930	\$ 3,300,055	\$ 6,015,386
Adjustments to Reconcile Operating Income to			
Net Cash Provided (Used) by Operating Activities:			
Depreciation	4,623,703	4,154,453	1,498,952
(Increase) Decrease in Accounts Receivable	(142,855)	(70,332)	7,801
Increase in Inventory	(33,871)	1,876	-
Increase (Decrease) in Current Liabilities	494,791	(739,312)	1,110,533
Increase (Decrease) in Long Term Liabilities	-	-	-
Total Adjustments	4,941,768	3,346,685	2,617,286
Net Cash Provided by Operating Activities	\$ 9,750,698	\$ 6,646,740	\$ 8,632,672
Noncash Investing, Capital and Financing Activities:			
Contributed Assets from Subdividers	\$ 534,930	\$ 305,464	\$ 2,751,152
Unrealized Loss on Investments	817,635	259,196	167,844
Reconciliation of cash and cash equivalents to statement of net position:			
Cash and cash equivalents	4,304,093	7,126,533	577,752
Restricted Assets - cash and cash equivalents	10,770,436	1,536,454	26,214,805
\$ 15,074,530	\$ 8,662,987	\$ 26,792,557	

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

Business-Type Activities - Enterprise Funds				Governmental Activities	
Electric & Communications	Solid Waste	Golf	Total	Internal Service	
\$ 99,867,764	\$ 11,523,068	\$ 6,789,872	\$ 173,424,118	\$ -	\$ -
(72,647,585)	(7,467,162)	(1,330,467)	(100,107,912)	32,309,847	(23,860,015)
(11,098,410)	(3,705,274)	(2,759,587)	(32,529,046)	(3,096,840)	(3,096,840)
1,393,739	162,069	1,435	4,972,412	(96,947)	(96,947)
<hr/> 17,515,508	<hr/> 512,701	<hr/> 2,701,253	<hr/> 45,759,572	<hr/> 5,256,045	
<hr/> 1,047,282	<hr/> -	<hr/> -	<hr/> 1,047,507	<hr/> 54,391	
<hr/> (1,146,350)	<hr/> -	<hr/> (21)	<hr/> (1,393,039)	<hr/> (153,704)	
<hr/> (99,068)	<hr/> -	<hr/> (21)	<hr/> (345,532)	<hr/> (99,313)	
<hr/> 4,366,513	<hr/> -	<hr/> -	<hr/> 11,649,434	<hr/> -	
<hr/> 48,658	<hr/> 8,200	<hr/> 1,685	<hr/> 143,413	<hr/> 241,472	
<hr/> (25,097,203)	<hr/> (3,182,585)	<hr/> (486,364)	<hr/> (57,972,704)	<hr/> (2,928,488)	
<hr/> (287,136)	<hr/> -	<hr/> (129,069)	<hr/> (470,467)	<hr/> (74,188)	
<hr/> -	<hr/> -	<hr/> -	<hr/> 1,270,479	<hr/> -	
<hr/> -	<hr/> 2,636	<hr/> -	<hr/> 431,546	<hr/> -	
<hr/> -	<hr/> -	<hr/> -	<hr/> (11,914)	<hr/> -	
<hr/> 7,967,595	<hr/> -	<hr/> -	<hr/> 2,011,283	<hr/> -	
<hr/> 22,180,000	<hr/> -	<hr/> -	<hr/> 8,493,195	<hr/> -	
<hr/> -	<hr/> -	<hr/> -	<hr/> 36,145,000	<hr/> -	
<hr/> (3,816,433)	<hr/> -	<hr/> (14,887)	<hr/> (5,396,721)	<hr/> (2,870)	
<hr/> 5,361,994	<hr/> (3,171,749)	<hr/> (628,635)	<hr/> (3,710,356)	<hr/> (2,764,074)	
<hr/> (16,678,875)	<hr/> (1,329,459)	<hr/> (1,901,949)	<hr/> (38,414,777)	<hr/> (8,960,826)	
<hr/> 16,063,750	<hr/> 2,655,675	<hr/> 1,663,116	<hr/> 44,811,517	<hr/> 10,253,057	
<hr/> 1,754,622	<hr/> 208,548	<hr/> 172,011	<hr/> 4,810,786	<hr/> 894,167	
<hr/> 1,139,497	<hr/> 1,534,764	<hr/> (66,822)	<hr/> 11,207,526	<hr/> 2,186,398	
<hr/> 23,917,931	<hr/> (1,124,284)	<hr/> 2,005,775	<hr/> 52,911,210	<hr/> 4,579,056	
<hr/> 9,070,159	<hr/> 2,004,274	<hr/> 1,601,410	<hr/> 35,094,129	<hr/> 8,586,242	
<hr/> \$ 32,988,090	<hr/> \$ 879,990	<hr/> \$ 3,607,185	<hr/> \$ 88,005,339	<hr/> \$ 13,165,298	
<hr/> \$ 8,854,317	<hr/> \$ 407,211	<hr/> \$ 2,086,584	<hr/> \$ 25,472,483	<hr/> \$ 4,230,762	
<hr/> 10,463,465	<hr/> 975,612	<hr/> 509,963	<hr/> 22,226,148	<hr/> 2,133,310	
<hr/> (313,956)	<hr/> (25,428)	<hr/> 1,224	<hr/> (543,546)	<hr/> (108,882)	
<hr/> (2,967,208)	<hr/> (58,401)	<hr/> (19,055)	<hr/> (3,076,659)	<hr/> (128,841)	
<hr/> 1,535,827	<hr/> (786,293)	<hr/> 122,537	<hr/> 1,738,083	<hr/> (870,304)	
<hr/> (56,937)	<hr/> -	<hr/> -	<hr/> (56,937)	<hr/> -	
<hr/> 8,661,191	<hr/> 105,490	<hr/> 614,669	<hr/> 20,287,089	<hr/> 1,025,283	
<hr/> \$ 17,515,508	<hr/> \$ 512,701	<hr/> \$ 2,701,253	<hr/> \$ 45,759,572	<hr/> \$ 5,256,045	
<hr/> \$ 489,596	<hr/> -	<hr/> \$ 85,841	<hr/> \$ 4,081,142	<hr/> -	
<hr/> 958,490	<hr/> 163,772	<hr/> -	<hr/> 2,452,778	<hr/> 564,268	
<hr/> 5,658,056	<hr/> 869,945	<hr/> 3,319,491	<hr/> 21,855,870	<hr/> 12,929,572	
<hr/> 27,330,032	<hr/> 10,046	<hr/> 287,693	<hr/> 66,149,466	<hr/> 235,726	
<hr/> \$ 32,988,088	<hr/> \$ 879,991	<hr/> \$ 3,607,184	<hr/> \$ 88,005,337	<hr/> \$ 13,165,298	

City of Loveland, Colorado
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2024

	Special Improvement District No. 1	Custodial Fund
<hr/>		
ASSETS		
Equity in Pooled Cash and Cash Equivalents	\$ 138,892	
Equity in Pooled Investments	265,053	
Accrued Interest	1,536	
Total Assets	<hr/> \$ 405,481	
Net Position:		
Restricted For:		
Improvement District	<hr/> \$ 405,481	

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

City of Loveland, Colorado
Special Improvement District #1
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2024

Additions:

Special Assessments	\$ 601,479
Interest	17,038
Miscellaneous	1,588
Total Additions	620,105

Deductions:

General Administration	5,924
Bond Principal	475,000
Bond Interest	58,208
Trustee Fees	300
Total Deductions	539,432

Net increase (decrease) in fiduciary net position	80,673
Net position-beginning	324,808
Net position-ending	\$ 405,481

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

City of Loveland, Colorado
Notes to Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies

The City of Loveland is a Colorado Home Rule City operating under a charter provided by the authority of the Constitution of the State of Colorado and adopted by its citizens on May 21, 1996. The City operates under a Council- Manager form of government and provides the following services: public safety (police and fire), highways and streets, museum, library, parks and recreation, public improvements, planning and zoning, electrical power, water, wastewater, broadband, stormwater, solid waste collection, cemetery, and general administrative services.

The accounting policies of the City of Loveland conform to generally accepted accounting principles (GAAP) as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies:

A. Reporting Entity

Management has considered all potential component units in defining the City for financial reporting purposes. As required by generally accepted accounting principles, these financial statements present the City of Loveland (the primary government) and its component units. None of the component units issue a separate report. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationships with the City:

Blended Component Units

1. General Improvement District (GID) #1: This District is reported as a Special Revenue Fund. The District provides for the operation, maintenance, and construction of downtown parking lots and landscaping. The City Council serves as an ex-officio Board of Directors and the GID provides services entirely for the City.
2. Loveland/Larimer Building Authority (LLBA): This Authority is reported as a Special Revenue Fund. The Authority is responsible for the maintenance of the Police and Courts Building. Expenses are paid by the City and Larimer County based on square-foot usage with the City being the primary user. The Authority is governed by a three-member board consisting of the Loveland City Manager, Larimer County Manager, and one other volunteer board member. The LLBA provides services that almost exclusively benefits the City.
3. Loveland Urban Renewal Authority (LURA): This Authority is reported as a Special Revenue Fund. The Authority receives tax increment financing property and sales taxes within its boundaries and uses that revenue source for urban renewal projects. The governing board of LURA consists of City Council, local representatives from each affected county, school district and special district, and one representative appointed by the Mayor. LURA provides services entirely for the City.
4. Loveland Fire Rescue Authority: This Authority is reported as a Special Revenue Fund. The Authority receives revenue for operating and capital expenses primarily from contributions from the City and the Loveland Rural Fire District. Additional revenues are generated from fees charged for services provided by both the Suppression and Prevention Divisions. Expenses are limited to the operations and capital needs of the Authority. The Fund is managed by the Fire Authority, but the Authority has a governing body substantively the same as the City and a financial benefit/burden relationship exists. The Authority also provides a service that almost exclusively benefits the City.
5. Downtown Development Authority (DDA): The Authority was established to aid in the development and redevelopment of property within the boundaries of the Authority. The election held on November 7, 2017, for an increase in the property taxes of not more than 5.00 mills for the Authority did not pass however the DDA's ability to issue debt secured by tax increment revenues did pass. The DDA is financially dependent on the City and any debt issuance requires final approval by the City Council. The City has an administrative and direct financial involvement and for 2024, the obligations of the DDA were paid primarily by the primary government due to a transfer of funds from the primary government to the DDA.

Note 1: Summary of Significant Accounting Policies (continued)

A. Reporting Entity (continued)

Joint Ventures

1. Northern Colorado Regional Airport (hereinafter referred to as "Airport"): The Airport is jointly owned and operated by the cities of Loveland and Fort Collins, Colorado. Annual contributions are made by both cities to subsidize expenditures in excess of revenues for operations and to enhance the value of the Airport. As of December 31, 2024, ownership was (based on contributed capital): Fort Collins 50%, and Loveland 50%.

Separately issued financial statements are available upon request from the Accounting Division at the City of Loveland, Civic Center, 500 East Third Street, Loveland, Colorado, 80537.

Financial Information

A summary of financial information is as follows:

As of December 31, 2024

Total Current Assets	\$ 3,719,137
Total Capital Assets (net of accumulated depreciation)	<u>34,654,453</u>
Total Assets	38,373,590
Total Current Liabilities	<u>(1,482,242)</u>
Total Net Position	<u>\$ 36,891,348</u>

For the Year Ended December 31, 2024

Total operating revenue	\$ 2,137,738
Total operating expenses	(4,110,985)
Interest income & Federal/State Grants	296,236
Capital contributions	10,294,161
Change in Net Position	<u>\$ 8,617,150</u>

2. Platte River Power Authority (PRPA): On September 5, 1974, the City of Loveland, Colorado entered into a contract with PRPA wherein PRPA provides electrical power and energy to the City. Under the terms of the agreement, the rate charged by PRPA is reviewed annually and revised as necessary to provide sufficient revenues to enable Platte River to make payments of principal and interest on its indebtedness.

On June 3, 1975, Ordinance 1427 authorized the creation of the PRPA as a separate governmental entity with the Cities of Fort Collins, Longmont, Loveland, and Estes Park as participants. The PRPA is governed by an eight-member Board. Each city has two members on this Board. These members are appointed by the respective City Councils.

Separately issued financial statements for PRPA are available from its corporate headquarters at PRPA, 2000 East Horsetooth Road, Fort Collins, Colorado, 80525. The City does not have an equity interest in this joint venture.

Neither of the joint ventures are accumulating financial resources or are experiencing fiscal stress that are expected to create a significant financial benefit or burden on the City in the foreseeable future.

Note 1: Summary of Significant Accounting Policies (continued)

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide and Fund Financial Statements

The City government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the City accompanied by a total column. Fiduciary activities of the City are not included in these statements. *Governmental Activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *Business- Type Activities*, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *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 that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements. Major individual funds are reported as separate columns in the fund financial statements.

The government-wide financial statements are presented on an *economic resources measurement focus* and the *accrual basis of accounting*. Accordingly, all of the City's assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

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 to be 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 to be 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.

The primary revenue sources, which have been treated as susceptible to accrual by the City, are property tax, sales tax, intergovernmental revenues and other taxes. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following Major Governmental Funds:

1. General Fund: This is the City's primary operating fund. It accounts for all activities of the general government, except those required to be accounted for in another fund.
2. Loveland Urban Renewal Authority (LURA): This Special Revenue Fund accounts for tax increment financing and operating costs of the Authority.
3. Transportation Fund: This Special Revenue Fund is used to account for all revenues and costs to maintain the existing street infrastructure and the construction of new infrastructure. The primary funding sources are Highway User Tax Funds (HUTF) and other state revenue sharing, the Larimer County Road and Bridge tax revenue sharing, the Transportation Utility Fee, and transfers from other funds
4. Capital Expansion Fee (CEF) Fund: This is a Capital Projects Fund that accounts for the expansion of general city facilities and infrastructure. Revenue is derived from fees specifically for the expansion of city facilities and infrastructure collected as part of the building permit process.
5. Loveland Fire Rescue Authority (LFRA) Fund: This Fund accounts for the operations and capital needs of the Fire Authority. Funding sources are primarily from the General Fund, 80% and the Loveland Rural Fire District, 20%.
6. Capital Projects Fund: This Fund accounts for the major capital improvements of the City. Most of the revenues are transfers from other funds (96.1%).

Note 1: Summary of Significant Accounting Policies (continued)

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

Proprietary Funds: These funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or non-current) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. The City also recognizes as operating revenue in the utility funds the portion of tap fees intended to recover the cost of connecting new customers to the system. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

The City reports the following Proprietary Funds as major:

1. Water Fund: This Fund accounts for all activities necessary for the operation, maintenance and improvements of the water utility.
2. Wastewater Fund: This Fund accounts for all activities necessary for the operation, maintenance and improvements of the wastewater utility.
3. Stormwater Fund: This Fund accounts for all activities necessary for the operation, maintenance and improvements of the storm drainage utility.
4. Electric and Communications Fund: This Fund accounts for all activities necessary for the operation, maintenance and improvements of the electric and communications utility.
5. Solid Waste Fund: This Fund accounts for all activities necessary for the operation and maintenance of the refuse/recycling collection program and the mosquito control program.
6. Golf Fund: This Fund accounts for all the activities necessary for the operation, maintenance and improvements of the City's three golf courses.

Additionally, the City reports the following fund types:

1. Internal Service Fund: This Fund accounts for services provided to other departments or agencies of the City on a cost-reimbursement basis for the employee benefits, risk and insurance, and fleet maintenance.
2. Fiduciary Funds: This fund (Loveland Special Improvement District #1) accounts for the special assessment collection for and debt service of the District's special assessment debt. This fund qualifies as a fiduciary fund under the new requirements of GASB Statement No. 84 and is reported on an accrual basis.

Certain eliminations have been made in regards to interfund activities, payables, and receivables. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided.

Internally-dedicated resources are reported as general revenues rather than as program revenues. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as needed.

Although not qualifying as major funds, the City reports the Capital Expansion Fees fund and Capital Projects fund in the governmental statements as major funds. The City believes these funds are particularly important to financial statement users and allows for consistency with prior year's reporting.

The City also reports the Golf and Solid Waste funds in the proprietary fund statements as major funds even though these funds don't qualify as major funds. The City believes these funds are particularly important to financial statement users and allows for consistency with prior year's reporting.

Reconciliation of the fund financial statements to the government-wide financial statements is provided in the financial statements to explain the differences created by the integrated approach of GASB Statement No. 34.

Note 1: Summary of Significant Accounting Policies (continued)

C. Fair Value

The City categorized its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. See Note 2 Cash and Investments for additional disclosure.

D. Property Taxes and Sales Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in the subsequent year in two installments on February 28 and June 15, or in total on April 30. Property taxes are billed and collected by Larimer County, Colorado. Taxes for the following year are normally levied no later than December 15 and are recorded as a receivable with a corresponding offset to deferred inflows.

Sales taxes are due in the subsequent month from collection. Sales tax collected by vendors in December and remitted to the City in January of the following year, are accrued back to December to report the collections in the correct year. All sales tax collected for 2024 has been recorded in 2024. The City of Loveland sales tax rate is 3% and is a major portion of the general fund revenue.

E. Cash and Investments

The City's investment policy authorizes investments in accordance with state statutes for investing of public funds. Current investment holdings of the City may include Money Market Funds, Certificates of Deposit, Government Investment Pool, Corporate Securities, Municipal Bonds, US Treasury Notes, Federal Home Loan Bank, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, and Federal Farm Credit Bureau obligations stated at fair value. The local government investment pools are under the regulatory oversight of the Colorado Securities Commissioner. The fair value of the City's position in the pool is the same as the value of the pool shares. Investments are not made in any derivative types of arrangements.

Investments are stated at fair value.

For purposes of the statement of cash flows, the City defines cash and cash equivalents as amounts in demand deposits as well as short-term, highly liquid investments with original maturities of three months or less. Cash equivalents are both readily convertible to cash and are so near their maturity that they present insignificant risk of change in value due to interest rate changes.

F. Receivables/Payables

Interfund

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet when they are expected to be liquidated within one year. If the receivable or payable is expected to be liquidated after one year, they are classified as Interfund Loan Receivable or Interfund Loan Payable.

Receivables

Receivables consist primarily of property, sales and use tax and other miscellaneous receivables. Receivables are reported net of allowance for uncollectable accounts. At December 31, 2024, the allowance for uncollectable accounts was \$1,378,774. Revenue from grants and donations is recognized in the period in which all eligibility requirements have been satisfied.

G. Inventories

All inventories are stated at cost on a First-In-First-Out (FIFO) basis. Proprietary Funds' inventories consist of supplies purchased for consumption which will be expensed when actually consumed.

Note 1: Summary of Significant Accounting Policies (continued)

H. Leases

The City is a lessor for noncancelable leases of office space and parcels of land. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for the lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term

The City is a lessee for noncancelable leases of vehicles, equipment and office space. The City recognizes a lease liability and an intangible right-to-use lease asset in the applicable governmental or business-type activities column in the government-wide financial statements.

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. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The right-to-use 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. Right-to-use lease assets useful lives are determined by the length of the lease period and are amortized using the straight-line method. The City has elected to use the same capitalization thresholds for leased assets that it uses for those assets purchased. See further discussion under the "Capital Assets" section below.

Key estimates and judgments include how the City determines the discount rate and lease term it uses to discount the expected lease receipts/payments to present value. The City uses the market rate of interest at lease inception as the discount rate for leases. Lease term includes the noncancelable period of the lease. Lease receipts/payments included in the measurement of the lease receivable/payable are composed of fixed payments as outlined in the lease agreement.

I. Subscription Based IT Agreements

The City obtains the right to use vendor's information technology software through various long-term contracts. The City recognizes a subscription liability and an intangible right-to-use subscription asset in the applicable governmental or business-type activities column in the government-wide financial statements.

At the commencement of a subscription, the City initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of the subscription payments made. The right-to-use asset is initially measured as the initial amount of the subscription liability adjusted for subscription payments made at or before the subscription commencement date, plus certain initial implementation costs. Right-to-use subscription assets useful lives are determined by the length of the subscription period and are amortized using the straight-line method. See further discussion under the "Capital Assets" section below.

Key estimates and judgments include how the City determines the discount rate and subscription term it uses to discount the expected subscription payments to present value. The City uses the market rate of interest at the subscription's inception as the discount rate. The subscription's term includes the noncancelable period of the subscription. Subscription payments included in the measurement of the subscription payable are composed of fixed payments as outlined in the subscription.

J. Capital Assets

All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated acquisition value on the acquisition date. The City's policy is to record all capital assets with an initial cost of at least \$5,000. Interest costs are expensed as incurred and, therefore, not capitalized. The City developed a Capitalization Policy that defines the recording of capital assets in accordance with Generally Accepted Accounting Principles. The Capitalization Policy includes a physical inventory count of capital assets by fund and department in a three-year cycle and Federal Grant assets in a two-year cycle. In 2024, the three-year cycle of physical inventories included Power & Communications, Golf, Library Collections, Police, Public Works/Traffic, and Cultural Services.

J. Capital Assets (continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the useful lives of the related capital assets, as applicable. Public domain ("infrastructure") capital assets consisting of roads, streets and sidewalks, bridges and lighting and traffic signal systems are capitalized as a separate category. As used in this section, the term depreciation includes amortization of intangible assets.

Assets are depreciated using the six-month convention method on a straight line basis. Depreciation expense is reflected as an operating expense in the government-wide statement of activities and proprietary funds.

Estimated useful lives for asset

types are as follows:

Improvements Other Than Buildings	12-50 years	Buildings	20-50 years
Equipment	3-20 years	Infrastructure	10-100 years
Computer Software	5-10 years		

K. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and compensation time balances. All accumulated vacation, less than or equal to the maximum accrual, and compensation time balances are paid to the employee upon separation of service. The compensated absence liabilities are reported in the government-wide and proprietary fund financial statements. A leave liability is recognized due to the leave attributable to services already rendered, leave that accumulates, and leave that is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means."

L. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable Governmental Activities, Business- Type Activities, or Proprietary Fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Issuance costs are reported as debt service expenses.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, as sources or uses in 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.

M. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net 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 or fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. In addition to liabilities, the statement of net 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 or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

N. Fund Balance

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

Nonspendable: Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact pursuant to legal or contractual requirements (i.e., principal of a permanent fund).

N. Fund Balance (continued)

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

Committed: Amounts that can be used only for specific purposes pursuant to constraints formally imposed by the City Council through action of an ordinance approved prior to year end. Those committed amounts cannot be used for any other purpose unless the City Council rescinds or modifies the specified use by action of an ordinance.

Assigned: Amounts constrained by the City's intent to use them for a specific purpose. The authority to assign fund balance has been established by City of Loveland Council Resolution #R-48-2011 that grants the City Manager, or the City Manager's Designee, authority to designate the Assigned fund balance for each governmental fund based on the intended use of such resources.

Unassigned: All amounts not included in other spendable classifications. The General Fund is the only fund that would report a positive amount in unassigned fund balance. In other governmental funds if expenditures incurred for a specific purpose exceeds the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

Under City policy, the General Fund is required to maintain a minimum unrestricted fund balance of the greater of 15% of the current fiscal year expenditures or two months of fiscal year expenditures budgeted for the fund. Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not included in the other classifications. In other funds, the unassigned classification is used to report a deficit fund balance. When unassigned and restricted, committed, or assigned fund balances are available for use, it is the City's policy to use restricted, committed, or assigned resources before unassigned resources.

O. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

P. Upcoming Accounting Pronouncements

In December 2023, the Government Accounting Standards Board issued Statement No. 102, Certain Risk Disclosures, which requires governments to assess whether a concentration or constraint makes the primary government or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. It also requires governments to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date that the financial statements are issued. If certain criteria are met for a concentration or constraint, disclosures are required in the notes to the financial statements. The provisions of this statement are effective for the City's financial statements for the year ending December 31, 2025.

In April 2024, the Government Accounting Standards Board issued Statement No. 103, Financial Reporting Model Improvements. The requirements of this Statement are effective for fiscal years beginning after September 15, 2025. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The provisions of this statement are effective for the City's financial statements for the year ending December 31, 2026.

In September 2024, the Government Accounting Standards Board issued Statement No. 104, Disclosure of Certain Capital Assets. The Statement requires certain types of capital assets, such as lease assets, intangible right-to-use assets, subscription assets, and other intangible assets to be disclosed separately by major class of underlying asset in the capital assets note. The Statement also requires additional disclosures for capital assets held for sale. The provisions of this statement are effective for the City's financial statements for the year ending December 31, 2026.

Note 2: Cash and Investments

Cash and investments at December 31, 2024, consisted of the following:

Deposits	\$ 152,857,160
Investments	\$ 234,758,101
Total	<u>\$ 387,615,261</u>

Deposits and investments are displayed within this report as follows:

Cash	\$ 19,034
Equity in Pooled Cash and Cash Equivalents	65,856,198
Equity in Pooled Investments	191,176,392
Equity in Restricted Cash	86,843,036
Equity in Restricted Investments	43,316,656
Equity in Pooled Cash and Cash Equivalents - Fiduciary Fund	138,892
Equity in Pooled Investments Fiduciary Fund	<u>265,053</u>
Total	<u>\$ 387,615,261</u>

A. Restricted Cash

Certain proceeds of bonds, as well as resources set aside for their repayment, are classified as restricted cash because their use is limited by applicable bond covenants. Restricted cash also includes certain cash in Enterprise Funds set aside to be used for future plant expansion, donations to be expended for a certain purpose, and cash required to be used for a specific purpose.

B. Fair Value

The City categorized its fair value measurements 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.

Investments Held in Investment Pools

The City had invested \$7,495,470 in the Colorado Surplus Asset Fund Trust (CSAFE). CSAFE is valued amortized cost. The investments conform to its permitted investments and will meet Standard & Poor's investment guidelines to achieve a AAA rating, the highest attainable rating for a Local Government Investment Pool. Information related to CSAFE can be found at their website, www.csafe.org.

City of Loveland has invested \$40,254,031 in Colorado Local Government Liquid Asset Trust Plus+ (ColoTrust). ColoTrust is valued using the NAV per share (or its equivalent) of the investments. ColoTrust does not have any unfunded commitments, redemption restrictions or redemption notice periods. ColoTrust has a rating of AAA. Information related to ColoTrust can be found on their website, www.colotrust.com.

Note 2: Cash and Investments (continued)

B. Fair Value (continued)

The City has the following recurring fair value measurements as of December 31, 2024:

- U.S. Treasury securities of \$76,098,537 are valued using quoted market prices (Level 1 inputs)
- U.S. Agency securities of \$107,603,729 are valued using matrix pricing techniques (Level 2 inputs)
- Corporate Bonds of \$33,468,407 are valued using matrix pricing techniques (Level 2 inputs)
- Municipal Bonds of \$2,917,007 are valued using matrix pricing techniques (Level 2 inputs)
- Commercial Paper of \$14,670,421 are valued using matrix pricing techniques (Level 2 inputs)

C. Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. The State banking commissioner regulates the eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2024, the City had \$114,920,198 collateralized with securities held by the financial institution's agent but not in the City's name.

D. Investments

The City has an investment policy which specifies the investment instruments including rating, maturity and concentration risk criteria in which the City may invest. These investment instruments may include:

- Obligations of the United States and certain US Agency securities
- Certain international agency securities
- General obligation and revenue bonds of US local government entities
- Commercial paper
- Corporate or bank issue debt
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market accounts
- Local government investment pools

At December 31, 2024, the City had the following investments:

<u>Investment Type</u>						
<i>Governmental and Business-Type Activities</i>						
		Standard and Poor's Rating	Less than 1	1-3	4-5	Total
U.S. Treasury Notes	N/A		30,995,804	45,016,814	-	76,012,618
U.S. Agency Securities	AA+		28,951,150	38,286,420	40,244,669	107,482,239
Corporate Bonds	AA-/A/A+/AA/AA+		19,148,736	14,281,884	-	33,430,620
Municipal Bonds	AA/AA+		2,913,714	-	-	2,913,714
Commercial Paper	AA/AA+		14,653,857	-	-	14,653,857
Total			\$ 96,663,261	\$ 97,585,118	\$ 40,244,669	\$ 234,493,048
<i>Fiduciary Funds</i>						
U.S. Treasury Notes	N/A		35,035	50,884	-	85,919
U.S. Agency Securities	AA+		32,724	43,276	45,490	121,490
Corporate Bonds	AA-/A/A+/AA/AA+		21,644	16,143	-	37,787
Municipal Bonds	AA/AA+		3,293	-	-	3,293
Commercial Paper	AA/AA+		16,564	-	-	16,564
Total			\$ 109,260	\$ 110,303	\$ 45,490	\$ 265,053

Note 2: Cash and Investments (continued)

D. Investments (continued)

1. **Local Government Investment Pools:** At December 31, 2024, the City had \$40,254,031 invested in Colotrust and \$7,495,470 in Colorado Surplus Asset Fund Trust (CSafe), investment vehicles established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces the requirements of creating and operating the Pools. The Pools operate similarly to a money market fund with each share equal in value to \$1.00. The Pools are rated AAA by Standard and Poor's. Investments of the Pools are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. There is no limitation on withdrawals from the local government investment pools. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the participating governments. Financial statements can be obtained at www.csafe.org and www.colotrust.com.
2. **Interest Rate Risk:** State statutes and the City's Investment Policy limit investments in US Treasury and Agency securities to an original maturity up to five years with a minimum credit rating of A+/A1. State Statutes and the City's Investment Policy require all repurchase agreements with a maturity of one year or less and collateralized with securities allowed by statute at no less than 102% of fair value. State statutes and the City's Investment Policy limit investments in corporate bonds to an original maturity of three years or less.
3. **Credit Risk:** State statutes and the City's Investment Policy limit investments in US Agency securities to the highest rating issued by two or more nationally recognized statistical rating organizations (NRSROs). State statutes and the City's Investment Policy limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with Rule 2a-7, and either have assets of one billion dollars or the highest rating issued by a NRSRO. State statutes and the City's Investment Policy limit investments in corporate bonds and Foreign Issues to a minimum credit rating of "AA- or Aa3" by two or more NRSROs.
4. **Custodial Credit Risk:** The City's Investment Policy requires that securities purchased from any bank or dealer, including appropriate collateral, be placed with an independent third party for custodial safekeeping. The City has entered into an agency agreement with US Bank-Denver to establish an Investment Management Account pursuant to Colorado Revised Statutes. The City's pooled cash is invested in this account. The Bank purchases investments for the City and maintains an internal accounting record of all investments of the City. All investment transactions are approved by City management. All investments, held and maintained by the Trust Department of the Bank, are specifically separate from the investments of the bank and are identified as being investments of the City of Loveland. Investments of Loveland Special Improvement District #1 are held by other banks in their Trust Departments and are also specifically identified as being investments of the City of Loveland.
5. **Concentration of Credit Risk:** The City's Investment Policy does not limit the amount the City may invest in one issuer. The City had investments in US agency securities greater than 5% of its total portfolio as follows: US Treasury Notes (32.42%), Federal Home Loan Bank (19.41%), Federal Home Loan Mortgage Corporation (10.00%) , Federal Farm Credit Bank (10.15%), and Federal National Mortgage Association (6.27%).

E. Restricted Investments

Investments of \$43,316,656 have been restricted in the Water Fund, Wastewater Fund, Stormwater Fund, Solid Waste Fund and the Electric & Communications Fund for capital projects.

Note 3: Interfund Receivables, Payables, And Transfers

Interfund balances at December 31, 2024, were as follows:

Due From	Due To	Amount
Electric & Communications	General Fund	\$ 410,988
Transportation	General Fund	\$ 250,000
Nonmajor Governmental Funds	General Fund	\$ 525,000
General Fund	Transportation	\$ 7,697,148
General Fund	Nonmajor Governmental Funds	\$ 115,322
Fleet Replacement	Stormwater	\$ 11,914

Advance From	Advance To	Original Amount	Principal Payments	Principal Balance at December 31, 2024
CEF Fund	Loveland Urban Renewal	\$ 900,000	\$ 624,862	\$ 275,138
CEF Fund	Loveland Urban Renewal	\$ 1,500,000	\$ 1,108,824	\$ 391,176
General Fund	Loveland Urban Renewal	\$ 63,100	\$ 47,299	\$ 15,801
CEF Fund	General Fund	\$ 1,700,000	\$ 1,483,063	\$ 216,937
Fleet Fund	General Fund	\$ 500,000	\$ 436,195	\$ 63,805
CEF Fund	Loveland Urban Renewal	\$ 366,000	\$ 233,036	\$ 132,964

In 2013, City Council approved an interfund loan of \$1,500,000 from the CEF Fund to the Loveland Urban Renewal Authority to help fund a mixed-use building in the downtown area. The entire \$1,500,000 was moved over to LURA in 2013, but interest will only be charged on the portion of funds given to the developer - \$500,000 in 2013 and \$1,000,000 in 2014. The interest is set, it will not be based on the City's annual return on its investment portfolio. In this same Council action, LURA agreed to reimburse the General Fund for waived material use tax, phase II environmental study, and a blight study and plan amendment at 3% for 14 years totaling \$63,100. LURA also agreed to repay \$900,000 to the Museum CEF for the land purchased for the project. The payments began in 2017 on this loan.

Loveland Urban Renewal Authority Payment Schedule

	Beginning Balance	Principal	Interest	Total Payment
2025	391,176	126,557	11,735	\$ 138,292
2026	264,619	131,643	7,939	\$ 139,582
2027	132,976	132,976	4,028	\$ 137,004
Total		\$ 391,176	\$ 23,702	\$ 414,878

Loveland Urban Renewal Authority Payment Schedule

	Beginning Balance	Principal	Interest	Total Payment
2025	15,801	5,112	474	\$ 5,586
2026	10,689	5,266	320	\$ 5,586
2027	5,423	5,423	163	\$ 5,586
Total		\$ 15,801	\$ 957	\$ 16,758

Note 3: Interfund Receivables, Payables, And Transfers (continued)**Loveland Urban Renewal Authority Payment Schedule**

	Beginning Balance	Principal	Interest	Total Payment
2025	275,138	89,016	8,334	97,350
2026	186,122	91,686	5,664	97,350
2027	94,436	94,436	2,914	97,350
Total		\$ 275,138	\$ 16,912	\$ 292,050

In January of 2015, City Council approved a \$2,200,000 loan from Fleet and CEF funds to the Economic Incentive fund for an incentive agreement with Evergreen Development Company (Sprouts Farmers Market). The loan will be paid back over a period of ten years, with an annual interest rate of 3%, through the normal collection of sales taxes. The annual payment guaranty is \$254,920. In the event the annual sales tax collections do not meet this amount, the project owner shall pay to the City, within 180 days after the expiration of each 12-month period, the amount by which \$254,920 exceeds the sales taxes collected. This guaranty has been completed.

Economic Incentive Fund Payment Schedule

	Beginning Balance	Principal	Interest	Total Payment
2025	280,742	246,498	8,422	254,920
2026	34,244	34,244	1,027	35,271
Total		\$ 280,742	\$ 9,449	\$ 290,191

In 2019, City Council approved a \$366,000 loan from General Government CEF fund to the Loveland Urban Renewal Authority fund for the purchase of the old Larimer County building in downtown Loveland. The loan will be paid back over a period of nine years, with an annual interest rate of 3%.

Loveland Urban Renewal Authority Payment Schedule

	Beginning Balance	Principal	Interest	Total Payment
2025	132,964	43,018	3,989	47,007
2026	89,946	44,308	2,699	47,007
2027	45,638	45,638	1,369	47,007
Total		\$ 132,964	\$ 8,057	\$ 141,021

Note 3: Interfund Receivables, Payables, And Transfers (continued)

Transfers between funds were as follows:

	Transfers In:						Non-Major Governmental Funds	Total
	General	Capital Projects	Transportation	Storm- water	Electric and Communications			
Transfers Out:								
General		\$ 6,535,269	\$ 24,695,737	\$ 225			\$ 450,000	\$ 31,681,231
Capital Projects	52,373							52,373
Transportation	94,848							94,848
CEF's	60,826	852,268	10,877,111					11,790,205
Loveland Urban Renewal Authority							2,458,497	2,458,497
Loveland Fire Rescue Authority	16,205							16,205
Water	129,735		16,589				1,750	148,074
Wastewater	22,841		11,387				250	34,478
Electric & Communications	78,502		17,566				1,050,282	1,146,350
Stormwater	48,934		15,181					64,115
Golf	21							21
Non-Major Governmental Funds	240,639		30,565		1,047,282			1,318,486
Internal Services	-	153,704						153,704
	\$ 744,924	\$ 7,541,241	\$ 35,664,136	\$ 225	\$ 1,047,282	\$ 3,960,779	\$ 48,958,587	

During the year, transfers are used for varying reasons including but not limited to moving revenues to finance various programs that the City must account for in other funds in accordance with budgetary authorizations, transfers for internal services rendered, capital projects, interfund loans, and unemployment insurance.

The most significant transfers were initiated by the City for the following reasons:

The General Fund transferred \$24,695,737 and the Capital Expansion Fees Fund transferred \$10,877,111 to the Transportation Fund for various street capital projects throughout the City and to fund various ongoing street capital projects carried forward to future years. The General Fund also transferred \$6,535,269 to the Capital Projects Fund for various capital projects in the City. The dissolution of the downtown urban renewal authority resulted in transferring \$2,458,497 from the Loveland Urban Renewal Authority to the Downtown Development Authority, an amount equal to the downtown urban renewal authority's portion of fund balance.

Note 4: Capital Assets

Capital asset activity for the year ended December 31, 2024 was as follows:

Governmental Activities	Beginning Balance	Increases/Transfers	Decreases/Transfers	Ending Balance
Capital Assets, not being depreciated				
Land	\$ 70,757,466	\$ 3,578,470	\$ -	\$ 74,335,936
Easements	10,632,543	186,397	-	10,818,940
Water Rights	2,968,488	-	-	2,968,488
Art Collection	8,838,738	431,000	-	9,269,738
Construction in Progress	38,205,293	24,622,475	9,899,831	52,927,937
Total Capital Assets, not being depreciated	131,402,528	28,818,342	9,899,831	150,321,039
Capital Assets, being depreciated				
Buildings	118,940,321	11,049,622	-	129,989,943
Lease Assets - Buildings	5,047,145	-	203,797	4,843,348
Equipment	66,117,275	4,740,382	1,015,022	69,842,635
Lease Assets - Equipment	304,794	30,246	62,876	272,164
Software	1,932,164	-	-	1,932,164
Improvements Other Than Buildings	82,172,433	3,227,767	-	85,400,200
Infrastructure	397,746,689	21,135,444	2,457,799	416,424,334
Total Capital Assets, being depreciated	672,260,821	40,183,461	3,739,494	708,704,788
Less accumulated depreciation for:				
Buildings	41,939,912	3,155,304	-	45,095,216
Lease Assets - Buildings	269,498	165,943	156,993	278,448
Equipment	39,992,379	5,400,995	940,017	44,453,357
Lease Assets - Equipment	154,870	83,389	62,876	175,383
Software	641,397	354,693	-	996,090
Improvements Other Than Buildings	40,104,777	3,558,849	-	43,663,626
Infrastructure	148,037,326	12,896,441	2,457,799	158,475,968
Total Accumulated Depreciation	271,140,159	25,615,614	3,617,685	293,138,088
Total capital assets, being depreciated, net	401,120,662	14,567,847	121,809	415,566,700
Governmental activities capital assets, net	\$ 532,523,190	\$ 43,386,189	\$ 10,021,640	\$ 565,887,739
Business-type Activities	Beginning Balance	Increases/Transfers	Decreases/Transfers	Ending Balance
Capital Assets, not being depreciated				
Land	\$ 15,787,730	\$ -	\$ -	\$ 15,787,730
Easements	44,795,478	1,358,419	-	46,153,897
Water Rights	78,391,190	165,285	-	78,556,475
Construction in Progress	137,240,883	47,172,142	18,915,023	165,498,002
Total Capital Assets, not being depreciated	\$ 276,215,281	\$ 48,695,846	\$ 18,915,023	305,996,104
Capital Assets, being depreciated				
Buildings	39,977,640	6,338,147	-	46,315,787
Lease Assets - Buildings	1,578,063	3,577,397	1,578,063	3,577,397
Equipment	34,928,084	4,265,648	645,261	38,548,471
Improvements Other Than Buildings	199,978,475	3,103,217	90,294	202,991,398
Infrastructure	518,754,359	18,636,184	871,719	536,518,824
Total Capital Assets, being depreciated	\$ 795,216,621	\$ 35,920,593	\$ 3,185,337	827,951,877
Less accumulated depreciation for:				
Buildings	10,584,096	1,161,719	-	11,745,815
Lease Assets - Buildings	529,416	326,232	644,816	210,832
Equipment	24,998,884	2,968,313	564,172	27,403,025
Improvements Other Than Buildings	79,345,798	4,890,276	78,556	84,157,518
Infrastructure	147,476,744	12,879,610	825,111	159,531,243
Total Accumulated Depreciation	\$ 262,934,938	\$ 22,226,150	\$ 2,112,655	\$ 283,048,433
Total capital assets, being depreciated, net	532,281,683	13,694,443	1,072,682	544,903,444
Business-type activities capital assets, net	\$ 808,496,964	\$ 62,390,289	\$ 19,987,705	\$ 850,899,548

Note 4: Capital Assets (continued)

Depreciation expense was charged to programs of the City as follows:

Governmental Activities	
Library	592,045
Finance	76,787
Information Technology	940,516
Development Services	2,767,274
Public Works	11,870,026
Police	1,118,791
Fire	1,899,102
Parks & Recreation	3,729,544
Cultural Services	310,008
Nondepartmental	178,211
Internal Service Fund	2,133,310
Total Governmental Activities	\$ 25,615,614

Business-Type Activities	
Water	\$ 4,623,703
Wastewater	4,154,453
Stormwater	1,498,953
Electric & Communications	10,463,465
Solid Waste	975,613
Golf	509,963
Total Business-Type Activities	\$ 22,226,150

Note 5: Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2024, was as follows:

	Balance 12/31/2023	Additions	Reductions	Balance 12/31/2024	Due Within One Year
Governmental Activities					
Compensated Absences	\$ 6,920,040	\$ -	\$ 23,507	\$ 6,896,533	\$ 3,793,093
Certificates of Participation	14,390,000	-	405,000	13,985,000	425,000
Direct Placement Debt:					
Construction Financing Agreement	\$ 10,455,000	\$ -	\$ 475,000	\$ 9,980,000	\$ 485,000
Equipment Financing Agreement	858,893	-	162,639	696,254	167,086
Loan Agreement	1,000,000	-	86,366	913,634	89,204
Pollution Remediation	\$ 1,130,000	\$ 172,000	\$ 592,000	\$ 710,000	\$ 710,000
Oversizing Agreements	708,204	-	-	708,204	-
Lease and Subscription Based IT Agreements	\$ 6,278,087	\$ 30,246	\$ 578,257	\$ 5,730,076	\$ 495,931
Total	\$ 41,740,224	\$ 202,246	\$ 2,322,769	\$ 39,619,701	\$ 6,165,314
Business-Type Activities					
Electric & Communication Bonds	\$ 83,765,000	\$ -	\$ 2,630,000	\$ 81,135,000	\$ 2,710,000
Premium on Bonds	8,473,665	-	405,115	8,068,550	405,115
Water Enterprise Bonds	49,665,000	-	1,425,000	48,240,000	1,480,000
Premium on Bonds	7,188,218	-	318,298	6,869,920	318,298
Stormwater Bonds	-	17,450,000	960,000	16,490,000	375,000
Premium on Bonds	-	1,213,046	30,326	1,182,720	48,522
Electric & Communication Bonds	\$ -	\$ 24,810,000	\$ -	\$ 24,810,000	\$ -
Premium on Bonds	-	444,888	2,961	441,927	17,736
Direct Placement Debt:					
Water Bonds	\$ 2,060,000	\$ -	\$ 180,000	\$ 1,880,000	\$ 185,000
Wastewater Bonds	17,900,000	-	920,000	16,980,000	955,000
Equipment Financing Agreement	\$ 484,144	\$ -	\$ 129,069	\$ 355,075	\$ 133,659
Lease Agreements	\$ 1,105,536	\$ 3,577,397	\$ 1,255,587	\$ 3,427,346	\$ 269,274
ARO Liability-Hydro	\$ 732,678	\$ -	\$ 56,937	\$ 675,741	\$ 675,741
ARO Liability-Solar	350,000	-	-	350,000	-
Compensated Absences	2,146,506	259,336	-	2,405,842	1,323,213
Oversizing Agreements	454,213	171,658	454,213	171,658	-
Total	\$ 174,324,960	\$ 47,926,325	\$ 8,767,506	\$ 213,483,779	\$ 8,896,558

The change in compensated absences is shown net here, as prescribed by GASB 101.

A. Certificates of Participation

The City issued Certificates of Participation on March 14, 2017, for the construction of a Parking Facility located at the downtown Foundry project and for other public improvements. The certificates bear an interest rate of 3.39% for fifteen years. The amount of the proceeds was \$15,900,000. The debt is secured by the initial leased property of:

- (a) City Municipal Building, located at 500 East 3rd Street
- (b) the Fire Administration Building located at 410 East 5th Street
- (c) the Municipal Operations Center located at 105 West 5th Street

At a later date to be determined, the Parking Facility property will be substituted for the City Property.

Note 5: Long-Term Liabilities (continued)

A. Certificates of Participation (continued)

Year	Principal	Interest
2025	425,000	470,532
2026	435,000	456,040
2027	455,000	441,124
2028	465,000	425,614
2029	485,000	409,681
2030-2032	11,720,000	950,726
Total	\$ 13,985,000	\$ 3,153,717

B. Loan Agreement

In January 2021 the DDA entered into a reimbursement agreement for eligible public improvements at the Cleveland Station project located at the southeast corner of 5th Street and Cleveland for \$800,000 and additional smaller projects in the DDA for \$200,000 for a total loan of \$1,000,000. The project was in both the DDA and LURA downtown boundaries, with the property and sales tax increment related to this project going to LURA downtown. The LURA downtown was dissolved in April, 2023 and all property and sales tax increment related to Cleveland Station began going to the DDA to repay the debt. The debt has a reserve equal to the yearly payment on the debt of \$118,270. This agreement doesn't create a general obligation or other indebtedness or multiple fiscal year direct or indirect obligation to the City. The interest rate is 3.26% with a final maturity date of 12/1/2033. Principal payments began on June 1st, 2024. The default provision for this debt is the Lender shall be entitled to the appointment of a receiver or receivers of the Pledged Revenue.

Year	Principal	Interest
2025	89,204	29,063
2026	92,136	26,132
2027	95,164	23,103
2028	98,291	19,976
2029	101,522	16,745
2030-2033	437,317	32,462
Total	\$ 913,634	\$ 147,481

C. Water, Wastewater, Stormwater and Electric & Communication Bonds

In January 2015, the City Water Fund authorized revenue bonds in the amount of \$3,200,000 for improvements to the Water Treatment Plant. The bonds have a final maturity date of August 1, 2033 with the first principal payment of \$150,000 paid on August 1, 2017. The rate of interest on the bonds is 2.98%. The 2015 revenue bonds are payable solely from the net revenue of the water utility system, after deduction of operating expenses. The default provisions for this debt is any receiver appointed may enter and may take possession of the System, may operate and maintain the same, may prescribe fees, rates and other charges, and may collect, receive and apply all Gross Revenue arising after the appointment of such receiver in the same manner as the Enterprise or City itself might do.

In January 2017, the City Wastewater Fund authorized revenue bonds in the amount of \$24,900,000 for improvements to the Water Reclamation Facility. The bonds have a final maturity date of August 1, 2037 with the first principal payment of \$665,000 due on August 1, 2019. The rate of interest on the bonds is 3.35% on the borrowing totaling \$4,450,000 and 4.11% on the borrowing totaling \$20,450,000. The 2017 revenue bonds are payable solely from the net revenue of the wastewater utility system, after deduction of operating expenses. The default provisions for this debt is any receiver appointed may enter and may take possession of the System, may operate and maintain the same, may prescribe fees, rates and other charges, and may collect, receive and apply all Gross Revenue arising after the appointment of such receiver in the same manner as the Enterprise or City itself might do.

Note 5: Long-Term Liabilities (continued)

C. Water, Wastewater, Stormwater and Electric & Communication Bonds (continued)

In April 2019, the City Electric and Communication fund issued revenue bonds in the amount of \$58,445,000 tax exempt bonds and \$26,570,000 taxable bonds for a total debt of \$85,015,000. The outstanding balance of \$81,135,000 is excluding the unamortized premium of \$8,068,550. The bond premium received upon the issuance of the debt was \$10,405,361 and \$2,336,811 has been amortized. The tax exempt bonds have an interest rate of 5% with a final maturity date of December 1, 2044. The taxable bonds have a variable interest rate ranging from 2.854% to 3.722% with a final maturity date of December 1, 2032. Principal payments are due annually beginning December 1, 2023. The 2019 bonds are payable solely from the net revenue of the electric and communications utility system, after deduction of operating expenses.

In July 2021, the City Water fund issued revenue bonds in the amount of \$52,340,000 tax exempt bonds for the City's participation in the Windy Gap Firming project and the construction of a new water storage tank. In addition the proceeds of this debt was used to pay and cancel the 2013 Water bond. The outstanding balance of 48,240,000 is excluding the unamortized premium of \$6,869,920. The bond premium received upon the issuance of the debt was \$7,957,438 and \$1,087,518 has been amortized. The rate of interest on the bonds is 3.322%. The bonds have a final maturity date of 8/1/2046 with the first principal payment of \$1,305,000 due on 8/1/2022. The bonds are payable from the net revenues from the Water fund and the lien on those revenues is on a parity with the lien of the 2015 bond. The default provisions for this debt are after 60 days' notice the Paying Agent will receive not less than 25% of the aggregate principal amount.

In May 2024, the City Stormwater fund issued revenue bonds in the amount of \$17,450,000 to be used to for three infrastructure projects including the Garfield & Harrison Outfall Phases 3 & 4, the "Heart Improvement Program" (HIP) Street Plan and the stormwater division building addition. The outstanding balance of 16,490,000 is excluding the unamortized premium of \$1,182,720. The bond premium received upon the issuance of the debt was \$1,213,046 and \$30,326 has been amortized. The bonds have interest rates varying between 4.00% and 5.00%. The bonds have a final maturity date of 8/1/2048 with the first principal payment of \$960,000 due on 8/1/2024. The bonds are payable from the net revenues of the Stormwater utility after deduction of operating expenses.

In November 2024, the City Electric and Communication fund issued revenue bonds in the amount of \$9,600,000 tax exempt bonds and \$15,210,000 taxable bonds for a total debt of \$24,810,000. The bond premium received upon the issuance of the debt was \$444,888 and \$2,961 has been amortized. The tax exempt bonds have an interest rate of 5% with a final maturity date of December 1, 2049. The taxable bonds have a variable interest rate ranging from 4.997% to 5.484% with a final maturity date of December 1, 2039. Principal payments are due annually beginning December 1, 2030. The 2024 bonds are payable solely from the net revenue of the electric and communications utility system, after deduction of operating expenses.

Year	Principal				Interest			
	2015 Water Bond	2017 Wastewater Bond	2021 Water Bond	2024 Stormwater Bond	2015 Water Bond	2017 Wastewater Bond	2021 Water Bond	2024 Stormwater Bond
					2025	185,000	955,000	1,480,000
2026	190,000	995,000	1,540,000	395,000	50,511	658,628	1,524,300	729,950
2027	195,000	1,035,000	1,600,000	415,000	44,849	617,733	1,462,700	710,200
2028	205,000	1,160,000	1,665,000	435,000	39,038	575,195	1,398,700	689,450
2029	210,000	1,210,000	1,730,000	460,000	32,929	527,518	1,332,100	667,700
2030-2034	895,000	6,825,000	9,725,000	2,655,000	67,646	1,850,527	5,585,750	2,971,000
2035-2039	-	4,800,000	11,415,000	3,390,000	-	399,903	3,910,350	2,237,000
2040-2044	-	-	13,225,000	4,280,000	-	-	2,092,800	1,352,250
2045-2049	-	-	5,860,000	4,085,000	-	-	265,050	416,800
Total	\$ 1,880,000	\$ 16,980,000	\$ 48,240,000	\$ 16,490,000	\$ 290,997	\$ 5,327,382	\$ 19,155,250	\$ 10,523,050

Note 5: Long-Term Liabilities (continued)

C. Water, Wastewater, Stormwater and Electric & Communication Bonds (continued)

Year	Principal		Interest	
	2019 Electric & Communications Bond	2024 Electric & Communications Bond	2019 Electric & Communications Bond	2024 Electric & Communications Bond
	Bond	Bond	Bond	Bond
2025	2,710,000	-	3,697,215	1,393,690
2026	2,795,000	-	3,612,663	1,306,585
2027	2,885,000	-	3,522,664	1,306,585
2028	2,980,000	-	3,427,690	1,306,585
2029	3,080,000	-	3,326,906	1,306,585
2030-2034	17,215,000	4,010,000	14,816,410	6,145,690
2035-2039	21,735,000	5,205,000	10,299,750	4,958,025
2040-2044	27,735,000	6,800,000	4,295,250	3,354,954
2045-2049	-	8,795,000	-	1,362,500
Total	\$ 81,135,000	\$ 24,810,000	\$ 46,998,548	\$ 22,441,199

Pledged Revenues

The City has issued revenue bonds which are outstanding through year end. These bonds were issued for improvements to the Water Treatment Plant, the Water Reclamation Facility and the firming of Windy Gap raw water, construction of a water storage tank and three stormwater infrastructure projects. Additionally, the City has issued revenue bonds which are outstanding through year end for the implementation of communication services for the City of Loveland.

The total pledged revenue is not estimable in comparison to pledged debt in that revenues are uncertain to future amounts. However, the debt coverage requirement for each issue must be met or the bonds will be in default. This provides sufficient coverage each year for the pledged debt. The debt service coverage, or comparison of pledged revenue net of specific operating expenses, for each pledged debt is outlined in the Pledged Revenue Table in the Statistical Section.

	Amount Pledged	Term of Commitment
2015 Water Bond	\$ 2,170,997	2033
2017 Wastewater Bond	22,307,382	2037
2019 Electric & Communications Bond	128,133,548	2044
2021 Water Bond	67,395,250	2046
2024 Stormwater Bond	\$ 27,013,050	2048
2024 Electric & Communications Bond	\$ 47,251,199	2049
	\$ 294,271,426	

D. Construction Financing Agreement

The Loveland Fire Rescue Authority entered into a financing agreement on April 9, 2021. This financing agreement was entered into to fund the construction of Fire Station 10 and to pay and cancel the 2018 capital lease. The rate of interest on the agreement is 2.285% with a final maturity of April 1, 2041. Payments on this lease started on October 1, 2021.

Year	Principal	Interest
2025	485,000	222,989
2026	500,000	211,711
2027	510,000	200,146
2028	520,000	188,352
2029	535,000	176,273
2030-2034	2,855,000	690,149
2035-2039	3,190,000	344,301
2040-2041	1,385,000	31,888
Total	\$ 9,980,000	\$ 2,065,809

Note 5: Long-Term Liabilities (continued)

E. Equipment Financing Agreements

The Loveland Fire Rescue Authority entered into a financing agreement on April 9, 2021. This financing agreement was entered into to purchase 115 SCBAs, 254 cylinders, 9 RIC kits, 2 compressors and related equipment. The repayment schedule for the agreement are annual principal and interest payments on January 15th. The rate of interest on the agreement is 2.734% with a final maturity of January 15, 2028. Payments on this agreement begin on January 15, 2022. The original amount of the borrowing, \$1,179,937 was adjusted in 2022 due to a change in the principal which was reduced by \$26,828 due to a change in the equipment purchased.

Year	Principal	Interest
2025	167,086	19,036
2026	171,654	14,468
2027	176,347	9,774
2028	181,167	4,953
Total	\$ 696,254	\$ 48,231

The City entered into a financing agreement dated January 23, 2023 for the acquisition of 155 electric golf carts, 4 gasoline golf carts and 2 beverage units. The repayment schedule for the agreement requires monthly principal and interest payments of \$11,996.31, with final payment occurring in July, 2027. Payments began in August, 2023. The interest rate is 3.50%.

Year	Principal	Interest
2025	133,659	10,297
2026	138,413	5,543
2027	83,003	972
Total	\$ 355,075	\$ 16,812

F. Special Assessment Bonds

The City authorized the issuance of Special Assessment Refunding Bonds, Series 2015 for \$4,750,000 on December 30, 2015, to refund, pay and discharge all of the outstanding 2007 Bonds.

The City is not obligated in any manner for this debt. This debt will be serviced by special assessments paid by the property owners within the District. The outstanding balance of the bonds at December 31, 2024 is \$1,255,000.

G. Developer Oversizing Agreements

The City has a number of outstanding agreements with developers requiring the City to reimburse the developers for the cost of oversizing public improvements, which are initially completed at the developer's expense. As of December 31, 2024, the City had oversizing agreements for transportation, water and waste water. The City appropriates money annually to make payments on developer agreements with a target of having the agreement paid off by the time the improvement would have been scheduled for construction in the capital improvements program. Contractually, the only agreements with a stated payment plan is the Waterford Place 2nd project. No amount shall be due to developers in any year in which funds have not been appropriated.

Under Municipal Code 16.41.110, the City references the Larimer County Urban Area Street Standards regarding required interest payments to developers on required but unnecessary street oversizing improvements. The street developer may be paid interest at the same rate that the City is earning on its pooled investments during the reimbursement period beginning three months after City acceptance of the approved oversizing street improvements until reimbursement is completed. There is currently one street oversizing improvement agreements that include interest payment requirements.

Note 5: Long-Term Liabilities (continued)

G. Developer Oversizing Agreements (continued)

The City's Oversizing Developer Agreement Schedule at December 31, 2024 is as follows:

Project	Date of Contract	Orig Contract Amount	Jan 1, 2024 Balance	Contract Additions	Contract Payments	December 31, 2024 Balance
*Waterford Place 2nd Sub	12/13/2002	\$ 507,205	\$ 400,867	-	-	\$ 400,867
Blackbird Knolls 2nd Sub	5/2/2005	307,337	307,337	-	-	307,337
Street Oversizing Agreements		\$ 814,542	\$ 708,204	-	-	\$ 708,204
Wilson Commons First Subdivision	10/12/2022	198,595	198,595	-	198,595.00	-
Chilson Stroh 3rd Subdivision	1/5/2024	73,218	-	73,218	-	73,218
Water Oversizing Agreements		\$ 271,813	\$ 198,595	\$ 73,218	\$ 198,595	\$ 73,218
Anderson First Subdivision	3/1/23	255,618	255,618	-	255,618	-
Vantage First Subdivision	8/6/2024	98,440	-	98,440	-	98,440
Waste Water Oversizing Agreements		354,058	255,618	98,440	255,618	98,440
TOTAL DEVELOPER AGREEMENTS		\$ 1,440,413	\$ 1,162,417	\$ 171,658	\$ 454,213	\$ 879,862

**Interest applies to these contracts.*

Note 6: Contractual Obligations

In January 2013, Council approved the Development and Disposition Agreement for the sale of property located at 541 E. Lincoln to facilitate the construction of a \$9.3 million, 69 unit market rate housing development in Downtown Loveland by Brinkman Partners of Fort Collins.

City Council approved modification to the Block 41-Finley's Addition Plan Area to include 541 N. Lincoln and other properties in the area. This permits LURA to retain incremental tax revenue from sales taxes in addition to property taxes to assist with the financing of the North Catalyst project (541 N. Lincoln). By expanding the Finley's Addition Plan Area, the combined tax increment from the Lincoln Place Urban renewal area and the Brinkman/North Catalyst project will fund the public improvements for the catalyst project, predevelopment costs, and repay the City of the purchase of the property. After modification, Block 41-Finleys Addition Urban Renewal Plan is now referred to as the Expanded Finley's Addition Plan Area.

The City's Capital Expansion Fund loaned the Loveland Urban Renewal Area \$1.5 million for public improvements via interfund loans. The LURA will reimburse the City CEF's from the tax increment collections plus 3 percent interest after satisfaction of the Lincoln Place Master Financing Agreement. The obligation will be repaid by 2027.

Master Financing Agreements

On January 20, 2004, a Master Financing Agreement (MFA) was entered into between the City, Centerra Metropolitan District #1 (District), the Loveland Urban Renewal Authority (LURA), Centerra Properties West LLC (Developer), Centerra Public Improvement Collection Corporation, and Centerra Public Improvement Development Corporation. The MFA's intent was to establish an agreement for the City and the LURA to participate financially in the construction of public improvements through the use of new property and sales tax revenues generated from the approximately 1,300 acres of land at the northwest and northeast corners of the Interstate 25 and US Highway 34 interchange (the Commercial Area). Pursuant to the MFA, the LURA pledges to pay the District the net tax increment revenues for the purpose of financing certain public and regional improvements. The TIF allocation terminates the earlier of the date the LURA obligation is paid or 25 years after the LURA commencement date of January 20, 2004. The MFA also requires the recording of the Public Improvement Fee (PIF) Covenant against all of the property within the Commercial Area to provide for the imposition of a Public Improvement Fee. In connection with the PIF, the City agrees in the MFA to grant a sales tax credit against the collection of 1.25% of its 3.0% sales tax on taxable sales transactions occurring within the Commercial Area.

Note 6: Contractual Obligations (continued)

On June 8, 2023, a Master Financing Agreement (MFA) was entered into between the City, Centerra South Development Inc (Developer), Centerra Properties West LLC and VDW Properties LLC (Owners) and the Loveland Urban Renewal Authority (LURA). The MFA's intent was to establish an agreement for the City and the LURA to participate financially in the construction of public improvements through the use of new property and sales tax revenues generated from the approximately 139 acres of land at the southwest corner of the Interstate 25 and US Highway 34 interchange (the Commercial Area). Pursuant to the MFA, the LURA pledges to pay the District the net tax increment revenues for the purpose of financing certain public and regional improvements. The TIF allocation terminates the earlier of the date the LURA obligation is paid or 25 years after the LURA commencement date of June 8, 2023. The MFA also requires the recording of the Public Improvement Fee (PIF) Covenant against all of the property within the Commercial Area to provide for the imposition of a Public Improvement Fee. In connection with the PIF, the City agrees in the MFA to grant a sales tax credit against the collection of 1.75% of its 3.0% sales tax on taxable sales transactions occurring within the Commercial Area. The 1.75% sales tax credit will be automatically reduced to 1.25% upon the satisfaction of certain conditions set forth in the Sales Tax Credit Resolution.

Note 7: Police Seizure Funds

Police, a department of the General Fund, received proceeds from the seizure of contraband. These funds must be used for the specific purpose of law enforcement activities. State Statute requires the formation of a committee on disposition of forfeited property. The committee accepts and spends forfeiture proceeds without the approval from the City Council. Interest received was \$2,285 leaving an ending fund balance of \$51,698.

Note 8: Commitments And Contingencies

A. Risk Management and Employee Benefits

To manage risk, the City uses a combination of large deductibles, participation in an insurance pool, and insurance coverage. The activity for City risk functions is accounted for in the Risk & Insurance Fund and the Employee Benefits Fund, which are components of the combined Internal Service Fund. The Internal Service Fund also includes the Fleet Replacement and Fleet Management Funds.

The City participates in the Colorado Intergovernmental Risk Sharing Agency (CIRSA) for property and liability. CIRSA is a separate and legal entity which was formed by intergovernmental agreement by member municipalities pursuant to the provisions of 24-10-115.5, 29-1-201 et. seq., 29-13-102, 84-44-101(1)(c) and (3), and 84-44-204, C.R.S., as amended, and Colorado Constitution, Article XIV, Section 18(2). Membership is restricted to Colorado municipalities which are members of the Colorado Municipal League and other public entities which meet certain criteria.

Other public entities must meet the following criteria:

1. Be a "public entity" as that term is defined in the Colorado Governmental Immunity Act (school districts are ineligible for CIRSA membership);
2. Have an intergovernmental agreement in effect with a CIRSA member municipality for the provision of one or more functions, services, or facilities lawfully authorized to both the entity and the municipality; and
3. That member municipality must consent to the entity's participation.

The purposes of CIRSA are to provide coverage and related services for its member municipalities through Member Pooling and excess insurance. It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability or loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverage at reasonable costs.

All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. The board of directors may credit member municipalities' future contributions in the event of a surplus. Although it has never occurred, CIRSA member municipalities are subject to a supplemental assessment in the event of a deficiency.

Note 8: Commitments And Contingencies (continued)

A. Risk Management and Employee Benefits (continued)

In 2024, the deductible paid by the City for property, and auto physical damage is \$250,000 per occurrence. The deductible paid by the City for liability claims is \$250,000.

Workers' compensation is obtained through Pinnacol Assurance. The deductible paid by the City for workers' compensation in each incident is \$100,000, with loss amounts over \$100,000 paid by Pinnacol. The City's Workers' Compensation insurance is renewed each July, and for the 2024-2025 renewal period (7/01/2024 through 6/30/2025) the City renewed with a per-occurrence deductible of \$100,000. Pinnacol also provides the City with a workers' compensation employers' liability limit of \$2,000,000.

The Employee Benefits Fund provides benefit eligible employees with a variety of benefits, including a partially self-insured medical plan, self-insured dental coverage, short-term and long-term disability plans, a life insurance plan and employee assistance as well as other ancillary benefits. Medical insurance is self-insured up to a fully insured stop-loss coverage of \$175,000. Estimated liabilities for medical and dental claims incurred but not reported (IBNR) at year end, are shown as accrued liabilities in the fund. These estimates are based on projections from historical claims data. Administrative costs of preparing these estimates are not included in the accrual of these liabilities. Individual stop-loss coverage reduces the City's risk by shifting responsibility for large claims to the stop-loss provider. Medical claim amounts paid in excess of \$175,000 for a covered individual in a calendar year are reimbursed to the City by the stop-loss provider. Medical aggregate stop-loss coverage is also applicable and protects the City against high total claims for the healthcare plan. The Employee Benefits Fund has \$18,263,304 in net position for employee benefit claims. Short-term Disability is managed by an Administrative Services Only agreement; Short-term Disability wages are paid by the City. Long-term Disability and Life Insurance coverage are purchased through premiums paid to insurance companies.

The Risk & Insurance Fund provides protection against losses involving City property, equipment, liability, workers' compensation, and environmental issues. Reserves within the fund support higher deductibles against loss. Payments to CIRSA and Pinnacol for coverage under the insurance pool are shown as expenses within the fund. Charges for services are collected from City departments based on amounts determined by management to meet annual required payouts and to maintain deductible reserves. Accrued liabilities are recorded for incurred claims based on estimates made by CIRSA and Pinnacol. Additional contingent liability claims for these coverages have not been recognized after reviewing claims history due to the remoteness of potential loss in excess of actual contributions.

The Risk & Insurance Fund has \$4,391,580 in net position for property casualty losses. The Employee Benefits Fund has \$18,263,304 in net position for employee benefit claims. The combined net position of the Risk & Insurance Fund and Employee Benefits Fund, available to cover catastrophic losses, totals \$22,654,884.

Changes in the balances of claims liabilities during current and prior years are as follows:

Description	December 31, 2024	December 31, 2023
Unpaid Claims - Beginning	\$ 3,422,495	\$ 3,096,495
Incurred Claims (includes IBNR's)	12,376,437	13,441,754
Claims Paid	(12,763,540)	(13,115,754)
Unpaid Claims Ending	\$ 3,035,392	\$ 3,422,495

Note 8: Commitments And Contingencies (continued)

B. Construction Commitments

At December 31, 2024 the City had several construction projects in process. The most significant of these are as follows:

Project	Budget	Cost to date
Chimney Hollow Reservoir	\$ 77,360,680	\$ 76,315,636
Taft Ave/Eisenhower Intersection	\$ 31,778,051	\$ 9,723,533
Advanced Metering Infrastructure (AMI)	\$ 10,140,102	\$ 9,279,405
Garfield & Harrison Outfall	\$ 15,063,013	\$ 9,175,175
US 34 Denver to Boyd Lake Widening	\$ 17,411,095	\$ 9,134,795

C. Construction Commitments

Pending Litigation

The City Attorney does not believe any current litigation would materially affect the financial statements of the City.

Grantor Agency Audits

Under the terms of federal and state grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grant. Such audits could lead to reimbursements to the grantor agencies. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time. Management believes disallowances, if any resulting from such audits, would not materially affect the financial statements of the City.

Note 9: Retirement Commitments

A. Defined Contribution Plans

The City participates in single-employer pension plans for all full-time regular employees that were established (and may be amended) by City Council. Contribution requirements are determined by City Council for the defined contribution plans. All employee contributions vest immediately.

All current full-time employees participate in defined contribution plans. All plans are 401(a) money purchase plans.

1. Police: All certified officers of the Police Department must participate from the date of hire. The plan is administered by Principal Financial Group. City contributions vest with the officers after five years of employment.
2. Fire: All paid firefighters must participate from the date of hire. The plan is administered by Mission Square Retirement. City contributions vest with the firefighters at the rate of 20% after two years of employment and increase by 20% for each additional year until fully vested after six years.
3. Nonuniformed Employees: All full-time regular employees other than those covered by the above plans must participate after completion of six months of employment. The plan is administered by Nationwide Mutual Insurance Company. City contributions vest with the employees after three years of employment.

Contribution requirements and amounts contributed during 2024 are as follows:

	Police Officers	Firefighters	Non-uniformed Employees
Required Contribution			
Rate			
Employer	10% - 15%	10% - 15%	3% - 9%
Employee	10%	10%	3%
Amounts Contributed			
Employer	\$ 1,685,377	\$ 1,722,407	\$ 3,445,022
Employee	\$ 1,537,299	\$ 1,186,026	\$ 1,688,016
Total	\$ 3,222,676	\$ 2,908,433	\$ 5,133,038

Note 9: Retirement Commitments (continued)

B. Defined Benefit Plans

The City participates in a defined benefit pension plan, the Loveland and Rural Consolidated Volunteer Firefighters Pension Plan. As of January 1, 2009, the plan is affiliated with and administered by the Fire and Police Pension Association of Colorado (FPPA). FPPA issues publicly available financial statements and required supplementary information. That report may be obtained by writing to FPPA, 5290 DTC Parkway, Suite 100, Englewood, Colorado, 80111 or by calling 1-800-332-3772.

Loveland and Rural Consolidated Volunteer Firefighters

1. Plan Description:

The City contributes to an agent multiple employer defined benefit pension plan covering its volunteer firefighters that was established (and may be amended) by the Loveland and Rural Consolidated Volunteer Firefighters Pension Board. The Loveland and Rural Consolidated Volunteer Firefighters pension plan provides retirement, disability and death benefits to plan members and their beneficiaries. The City's volunteer firefighters become fully vested after 20 years of active service and reaching age 50.

2. Benefits Provided:

The benefit, payable at age 50, would be equal to the retirement benefit prorated based upon the number of years of service accrued at termination. Surviving spouses of deceased retirees are entitled to 50% of the retirement benefit until remarriage or their death. Pre-retirement death and disability benefits are only available if incurred in the line of duty. The plan also provides for a lump-sum burial benefit upon death of an active or retired firefighter. The plan is affiliated with and administrated by FPPA. The FPPA administers an agent multiple-employer Public Employee Retirement System (PERS). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only.

As of January 1, 2023, the most recent actuarial valuation date, the membership of the Loveland and Rural Consolidated Volunteer Firefighters Pension Plan is:

Retirees and Beneficiaries	64
Inactive, Nonretired Members	1
Active Members	0
Total Members	65

3. Funding Policy:

The Loveland and Rural Consolidated Volunteer Firefighters Pension Plan receives contributions from the City, the Loveland Rural Fire Protection District and the State of Colorado. The contributions are actuarially determined.

4. Net Pension Liability:

The net pension liability (i.e., the plan's liability determined in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions) as of December 31, 2023 is:

Total Pension Liability	\$ 3,540,927
Plan Fiduciary Net Position	2,178,190
Net Pension Liability	\$ 1,362,737

The Plan is 61.51% funded.

The liquidation of this liability is primarily funded by the General Fund.

Note 9: Retirement Commitments (continued)

B. Defined Benefit Plans (continued)

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Beginning Balance	\$ 3,681,190	\$ 2,208,199	\$ 1,472,991
Changes for the Year			
Service Cost	-	-	-
Interest	244,446	-	244,446
Difference between expected and actual experience of the Total Pension Liability	-	-	-
Changes of Assumptions	-	-	-
Contributions - Employer	-	101,700	(101,700)
State of Colorado discretionary payment	-	77,692	(77,692)
Net Investment Income	-	197,623	(197,623)
Benefit Payments, Including Refunds	(384,709)	(384,709)	-
Administrative Expense	-	(22,315)	22,315
Net Changes	(140,263)	(30,009)	(110,254)
Ending Balance as of 12/31/22	<u>\$ 3,540,927</u>	<u>\$ 2,178,190</u>	<u>\$ 1,362,737</u>

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 94,165	\$ -
Employer contributions to the plan subsequent to the measurement date	<u>101,700</u>	<u>-</u>
Total	<u><u>\$ 195,865</u></u>	<u><u>\$ -</u></u>

Amounts reported as net deferred outflows of resources related to pensions will be recognized in pension expense as follows (note that employer contributions subsequent to the measurement date will reduce pension liability and, therefore, will not be included in future pension expense):

Year Ended December 31:

2025	\$ 5,507
2026	31,092
2027	67,770
2028	(10,204)
2029	-
Total	<u>\$ 94,165</u>

Note 9: Retirement Commitments (continued)

B. Defined Benefit Plans (continued)

5. Actuarial Methods and Assumption:

The total pension liability shown is based on an actuarial study for period January 1, 2023 for the measurement period ending December 31, 2023. Actuarial valuation of the plan involves estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future, such as mortality and inflation. The December 31, 2024, year-end reported net pension liability was determined using a measure of the total pension liability and pension net position as of the December 31, 2023 measurement date. The December 31, 2023 measurement date total pension liability was determined by an actuarial valuation performed as of January 1, 2023, which used update procedures to roll forward the estimated liability to December 31, 2023. Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The contribution rates have a one year lag, so the actuarial valuation as of January 1, 2023 determines the contribution amounts for 2024 and 2025.

Actuarial Assumptions are:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar,
Open ¹	
Remaining Amortization Period	20 years ¹
Asset Valuation Method	5-Year smoothed fair value
Inflation	2.5%
Salary Increase	N/A
Investment Rate of Return	7.0%
Retirement Age	50% per year of eligibility until 100% at age 65
Mortality	<u>Pre-retirement</u> 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, 50% multiplier for off-duty mortality. <u>Post-retirement</u> 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.
Disabled	2006 central rates from the RP-2014 Disabled Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

¹Plans that are heavily weighted with retiree liabilities use an amortization period based on the expected remaining lifetime of the participants.

6. Development of Single Discount Rate:

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments and (2) tax-exempt municipal bond rates based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. The development of the Single Discount Rate is calculated using the following factors:

Single Discount Rate	7.0%
Long-Term Expected Rate of Investment Return	7.0%
Long-Term Municipal Bond Rate *	3.77%

The last year ending December 31 in the 2024 to 2123 projection period for which projected benefit payments are fully funded is year 2123.

*Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of December 31, 2023 . In describing this index, Fidelity notes that the municipal curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax exempt securities.

Note 9: Retirement Commitments (continued)

B. Defined Benefit Plans (continued)

7. The sensitivity of the Net Pension Liability of the Single Discount Rate Assumption:

1% Decrease to 6.0%	\$ 1,643,088
Current Single Discount Rate Assumption of 7.0%	\$ 1,362,737
1% Increase to 8.0%	\$ 1,119,907

8. Long Term Expected Rate of Return:

Asset Class	Long Term Expected Rate of	
	Target Allocation	Return
Global Equity	35%	5.83%
Equity Long/Short	6%	4.77%
Private Capital	34%	7.81%
Fixed Income - Rates	10%	2.85%
Fixed Income - Credit	5%	3.39%
Absolute Return	9%	3.89%
Cash	1%	1.82%
Total	100%	5.80%

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 arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of December 31, 2023, are summarized in the above table.

Note 10: Taxpayer Bill Of Rights (TABOR) Amendment To The Colorado Constitution

In November of 1992, Colorado voters approved a constitutional amendment which limits revenues and expenditures beginning in 1993. These limits apply to revenues of the governmental entity except for those areas classified as "enterprises" or as other exclusions. Enterprises as defined under the amendment are not the same as Enterprise Funds defined using governmental generally accepted accounting principles. The amendment also excludes certain types of revenues and expenses of the entity from the limitation process. These exclusions include, but are not limited to: gifts or donations, federal funds, property sales, damage awards, or reserve transfers or expenditures.

Revenue collections in subsequent years are limited to changes in the Denver-Aurora-Lakewood Consumer Price Index (CPI) for Urban Consumers and to increases in property valuations from new construction and annexations. The amendment also requires that the base be "reset" each year to actual revenue collections of the prior year or the maximum revenue allowable, whichever is less.

In November 2001, the voters approved a request that the City use excess revenues from 2003 through 2012 for police and fire operations, streets construction and maintenance and parks construction and maintenance. Extensions were approved in 2013 through 2024 and in 2024 through 2036 to be used for the same purposes. Due to the exemption of sales tax on food for home consumption, there is no excess revenue in 2024 and the City does not anticipate having excess revenue in 2025.

The City has established an Emergency Reserve, representing 3% of qualifying expenditures, as required by the amendment. At December 31, 2024, the emergency reserve of \$3,807,600 as reported as a restriction of fund balance in the General Fund.

Note 10: Taxpayer Bill Of Rights (TABOR) Amendment To The Colorado Constitution (continued)

The following table shows revenue and growth items applicable to the revenue limit for 2024.

Actual revenue \$	126,920,001	CPI increase	2.27
Base revenue	132,596,020	Growth increase	1.87
Surplus/(Deficit) \$	(5,676,019)	Total increase allowed	4.14

Note 11: Fund Balance Designation

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below:

1. Nonspendable, such as inventories, prepaid expenses, long-term loans and resources that must be maintained intact pursuant to legal or contractual requirements (i.e., principal of a permanent fund)
2. Restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resources, or through a government's own constitution or charter.
3. Committed fund balance includes amounts that can only be used for the specific purposes determined by a formal action through ordinances of the highest level of decision making authority, which is the City Council, and remains binding unless removed in the same manner.
4. Assigned fund balance represents resources that reflect a government's intended use of resources. It has to be established at either the highest level of decision making, or by a body or an official designated for that purpose. On September 21, 2010, the City Council adopted Resolution #R-48-2011 that grants the City Manager, or the City Manager's Designee, authority to designate the Assigned fund balance for each governmental fund based on the intended use of such resources. Amounts in excess of nonspendable, restricted and committed fund balance in funds other than the general fund automatically would be reported as assigned fund balance.
5. Unassigned fund balance is any remaining fund balance in the general fund that did not fall into one of the four previous categories. The general fund should be the only fund that reports a positive unassigned fund balance. In other governmental funds if expenditures incurred for specific purposes exceed the amounts that are nonspendable, restricted, committed or assigned it may be necessary to report a negative unassigned balance.

The City of Loveland applies expenditures against restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year in that order.

City staff brings recommendations to Council for the use of fund balance, whereas Council approves the recommendations through an ordinance either in the official budget ordinance, or supplemental ordinances throughout the year. Council makes approvals at the fund level.

Since 2005, when the Citizen Finance Advisory Commission brought a policy to City Council, the City has retained a minimum of 15% of the General Fund expenditures in the unassigned fund balance in essence as a stabilization fund. The City Council must formally adopt a supplemental appropriation to use these funds. The replenishment of the funds would be strategically addressed in the General Fund Ten Year Financial Master Plan that is updated annually. The balance as of December 31, 2024 is \$18,337,015.

The City has one major special revenue fund that is for programs that, by Council policy, have dedicated revenue sources. The Loveland Urban Renewal Authority (LURA) Fund was established by the City Council in July 2002. The LURA fund accounts for urban revitalization activities throughout the community. Revenue is received from incremental sales and property taxes collected within the designated area. The City of Loveland has a formally adopted minimum fund balance policy approved by City Council on March 5, 2019.

Note 11: Fund Balance Designation (continued)

The table below provides detail for each category of fund balance

FUND BALANCES	Loveland Urban Renewal Authority		Trans- portation	Capital Expansion Fees	Loveland Fire & Rescue Authority	Capital Projects	Other Governmental Funds	Total Governmental Funds
	General							
Nonspendable:								
Inventory	\$ -	\$ 589,095					\$ 39,033	\$ 628,128
Prepaid Expenses	11,243							\$ 11,243
Interfund Loan Receivable	15,801							15,801
Permanent Fund	-						3,928,555	3,928,555
Total Nonspendable	27,044		589,095				3,967,588	4,583,727
Restricted								
Tabor 3% Emergency Reserve	3,807,600		-	-	-	-	-	3,807,600
Urban Revitalization	-	2,854,733					4,515,123	7,369,856
Parks & Recreation	13,576		-	-	-	-	4,875,524	4,889,100
Open Space Acquisitions	-		-	-	-	-	9,417,764	9,417,764
Law Enforcement	-		-	-	-	-	879,241	879,241
Fire & Rescue	-		-	-	16,099,893	-	-	16,099,893
Conventions & Tourism	-		-	-	-	-	1,163,320	1,163,320
Museum Programs	797,939		-	-	-	-	-	797,939
Downtown Maintenance	-		-	-	-	-	276,666	276,666
Police Donations	295,286		-	-	-	-	-	295,286
Library Books	300,960		-	-	-	-	-	300,960
Total Restricted	5,215,361	2,854,733	-	-	16,099,893	-	21,127,638	45,297,625
Committed:								
Future Capital Improvements	-		18,554,048	49,298,955	-	-	-	67,853,003
Interfund Loan Receivable	-		-	1,016,214	-	-	-	1,016,214
Art in Public Places	1,290,685		-	-	-	-	-	1,290,685
Public Education	-		-	-	-	-	276,053	276,053
Affordable Housing Agreements	-		-	-	-	-	2,086,879	2,086,879
Total Committed	1,290,685		18,554,048	50,315,169	-	-	2,362,932	72,522,834
Assigned								
Parks Capital Improvements	-	-	-	-	-	-	563,740	563,740
Fiber Network	-	-	-	-	-	-	226,629	226,629
Total Assigned	-	-	-	-	-	-	790,369	790,369
Unassigned:								
Total Fund Balances	\$ 42,777,540	\$ 2,854,733	\$ 19,143,143	\$ 50,315,169	\$ 16,099,893	\$ (506,272)	\$ 28,181,572	\$ 158,865,778

Note 12: Tax Abatement

Loveland City Council adopted the current Incentive Policy in September of 2022. The City's Incentive Policy supports assistance programs for primary employers, small business development, entrepreneurship, technology incubation and acceleration. The approved policy encourages high quality, primary job creation and private sector investment. An economic incentive or other City commitment under this policy must serve a public purpose including but not limited to providing significant cultural, social, and/or economic benefits to the citizens of Loveland.

The following is a list of the incentives active in 2024:

Artspace Loveland

Artspace Projects, Inc purchased property in downtown Loveland to develop an affordable, mixed-use live/work artist space. In October 2013, the city agreed to waive use tax in an amount not to exceed \$75,000 and provide a loan for \$300,000 for 30 years at the rate of 1.75%. Annually the developer makes principal and interest payments equal to 75% of the residual cash flow from the previous calendar year. The residual cash flow paid to the city is applied first to any accrued but unpaid interest and then to the principal balance of the loan. The developer made no loan payments in 2016 or 2017, as there was no residual cash flow in the preceding years. The city has received payments since 2018 totaling \$131,109.

Hach Company

The company constructed a new research and development facility at the company's existing site. The City waived building permit fees and materials use tax and offered a refund of the City's portion of business personal property tax (BPPT) in a combined amount not to exceed \$700,000. The agreement approved in November 2014 was amended in October 2015 to extend the deadlines for obtaining a building permit. The remaining term is the rebate of the City's portion of the Business Personal Property Tax (BPPT). The City is obligated to rebate, on an annual basis, the personal property tax paid by Hach for that year. The BPPT rebate amount is capped at \$180,658.78, which is the difference between the incentive amount of \$700,000 and the actual waivers of \$519,341.22. The company completed the new facility in August 2017. As of 12/31/2023 the City has issued \$152,242.20 in BPPT rebates. Final payment was issued in 2024.

The Foundry Loveland, LLC

The Foundry project was a \$75 million redevelopment of 2-1/2 blocks in downtown Loveland. The redevelopment agreement approved in December 2016 reimbursed the developer \$17,676,367 for construction of a city owned parking garage, a public plaza, sidewalks and other public improvements. A July 2018 amendment to the agreement approved an additional amount of \$477,647 for additional project improvements. The grand opening of The Foundry occurred in August 2019. The remaining agreement term is an incentive, not to exceed \$2,189,944, for the development of a movie theater complex. The movie theater incentive is payable in annual installments, over 10 years, of \$200,000 plus 2%. The first payment was issued to the developer in 2019. The 2024 payment (year 6/10) was \$220,816 and was issued in December 2024.

Eagle Crossing Development, Inc (The Brands Project)

The developer plans to build a mixed-use retail, entertainment, office, residential and hotel complex near I-25 and Crossroads Boulevard. In December 2016, City Council approved an incentive agreement. The agreement terms provide for a city sales tax rebate to the developer for a period of 25 years from issuance of a certificate of occupancy or December 31, 2047, whatever occurs first. The rebate amount is two cents of each three cents of city sales tax collected for anchor tenants. For junior anchors, the rebate amount is two cents of each three cents collected for years 1 through 15 and 1.25 cents of each three cents collected for years 16 through 25. For other retailers (non-anchor) the rebate is 1.25 cents for each three cents collected. The building permit fee and material use tax waivers expired December 31, 2021. The City has issued sales tax rebates based on the development of qualified other retailers (non-anchor) since 2019.

Note 12: Tax Abatement (continued)

JAX, Inc.

The business assistance agreement, approved by City Council in March 2020, provided a sales tax rebate not to exceed \$1,500,000 over a 10-year period. Jax purchased the property at 2665 W. Eisenhower, formerly owned by Kmart. The graduated sales tax rebate is for a portion of the 3% City sales tax collected above a baseline of \$150,000 in remitted sales tax. The rebate includes City sales tax generated from the 2665 W. Eisenhower site and any new pad sites developed at that location. Jax met the agreement terms and opened in August 2020. The first sales tax rebate payment was issued 12 months from the certificate of occupancy date and will be paid annually for 10 years or up to \$1,500,000 whichever occurs first.

Lincoln DB, LLC (Dutch Brothers)

This retail incentive was approved by City Council in May 2021 for a Dutch Brothers drive through coffee shop located at 975 N Lincoln Avenue. The property is within the boundaries of the Loveland Urban Renewal Authority Downtown Plan Area and the Downtown Development Authority (DDA). The agreement is between the City, LURA, DDA and the developer and reimburses the developer for the design and construction of eligible public improvements. Dutch Brothers received a certificate of occupancy in May 2021. The reimbursement amount is the equivalent of 50% of the annual city sales tax generated at the project site. The reimbursement will be paid annually for six years or up to \$99,070 whichever occurs first. The first payment was issued in Q1 2023 based on 2022 collections. In April 2023, the Loveland Urban Renewal Authority (LURA) Downtown Plan Area was terminated. Tax increment will be remitted to the City and held in the DDA Special Fund and reimbursements will occur per the terms of the agreement. It is anticipated that the reimbursement cap will be reached in 2025.

Simply Delicious, Inc (Bobo's Oat Bars)

Simply Delicious Inc dba Bobo's Oat Bars is a nationally recognized brand producing healthy handmade oat bar snacks that are shipped across the country. They expanded and consolidated their Loveland and Boulder manufacturing, distribution and headquarters into one building located in Loveland. The business assistance agreement defers the city sales tax, up to \$300,000, of the city sales tax collected on manufacturing equipment purchased in the first year of operation. The City will defer the tax over five years through October 1, 2027, and waive the tax, up to \$300,000, at the end of the five years if all agreement terms are met. Retention of this business keeps roughly 100 jobs in Loveland and has the potential to add up to 125 new jobs over the next 5 years. Bobo's completed their expansion and consolidated their offices in 2022. Contract open until 2027.

Artspace, Inc (Feed & Grain)

In August 2022, City Council approved an ownership participation agreement with Artspace, Inc. The mixed-use project is a renovation of a historic feed and grain building. When completed the project will include nine units of live/work housing, commercial space and a community facing lobby. The terms of the agreement will reimburse Artspace \$230,000 for completing the eligible public improvements as defined in the agreement. The City Manager approved an addendum to the agreement extending the project completion date to May 1, 2024. The project was completed in 2024 and the Developer was reimbursed per the agreement.

Vitamin Cottage Natural Food Markets, Inc

In June 2022, the City Council, and the Loveland Urban Renewal (LURA) Board approved a public improvement reimbursement agreement between the City of Loveland, LURA, the Downtown Development Authority (DDA) and Vitamin Cottage in support of the construction of a Natural Grocers store in downtown Loveland. The agreement authorizes the equivalent of an annual reimbursement to the developer of the municipal sales tax increment collected once the minimum annual threshold of \$150,000 is collected in the LURA Special Fund. The reimbursement term begins one full year after issuance of a certificate of occupancy, for 10 years, or until \$500,000 of public improvements is reimbursed, whichever comes first. The LURA Downtown Plan was terminated in April 2023. Tax increment will be remitted to the City and held in the DDA Special Fund and reimbursements will occur per the terms of the agreement. Due to the removal of sales tax on food for home consumption the minimum annual threshold has not been met to require reimbursement.

Note 12: Tax Abatement (continued)

333 East 4th Street Block LLC (Draper Project – Downtown Parking Facility)

In September 2022, City Council approved a redevelopment agreement between the City of Loveland, Loveland Urban Renewal Authority (LURA), Loveland Downtown Development Authority (DDA), and the developer 333 East 4th Street Block, LLC for a large mixed-use project and the construction of a 277-stall parking garage on the city parcel and related public improvements. The maximum reimbursement cap amount, for the construction of the garage, is \$12 million with an additional \$870,000 for other eligible public improvements. The proposed financing is an issuance of taxable Certificate of Participation (COP). Revenues for the debt service includes (a) Property and sales tax increments generated from the project area. (b) URA Downtown Plan area tax increment outside other Draper project area, capped at \$1.7 million. (c) Add-on 2% public improvement fee (PIF) imposed by the developer on retail sales occurring on the project site. In addition, the developer agreed to a short-fall guarantee. A separate design reimbursement agreement between the City, LURA, and the developer was approved for an amount not to exceed \$670,000. The City will reimburse the developer 50% or \$335,000 of the design cost if specific terms are met. The remaining \$335,000 may be paid to the developer if the terms of the agreement are met. The LURA Downtown Plan was terminated in April 2023. The tax increment will be remitted to the City and held in the DDA Special Fund. The funds from the DDA Special Fund will be applied per the terms of the agreement.

Discovery Air, LLC

City Council approved a business assistance agreement with Discovery Air in December 2022 to construct and operate a customs facility at the Northern Colorado Regional Airport. The cash incentive provides funding for a portion of the expenses associated with the operations of a customs facility. The cash incentive is capped at \$150,000. The payments will be made annually over three years, \$50,000 per year. The initial payment will be made when the custom office is open to the public. Subsequent payments will be made on the anniversary of the initial payment. Payment is issued after completion of the terms of the agreement including opening the custom office by July 1, 2024. First payment was issued July 2024.

Bass Pro Outdoor World

City Council approved a business assistance agreement with Hodges Development Services and Bass Pro Outdoor World in August 2023. The agreement provides fee waivers on construction building permits, use tax, stormwater impact fees, general government capital expansion fees and law enforcement capital expansion fees, not to exceed \$800,000. The company is responsible for all other fees. Two cents of each three cents sales tax collected will be rebated until 2047 per the terms within the already approved Brands Agreement. Fee waivers according to the agreement were issued in 2024.

Hensel-Phelps

In May 2024, City Council approved a business assistance agreement with Hensel Phelps Construction Co. The agreement provides fee waivers on use tax, building permits, general government capital expansion fees and law enforcement capital expansion fees not to exceed \$1,000,000. The combined fee waivers will occur at the time a building permit is issued for the Project Site. Three years from issuance of certificate of occupancy, the City will pay the company \$2,000 per employee at the Loveland location, not to exceed \$500,000. The City of Loveland will confirm and validate the number of employees and issue a payment for performance incentive at that time. No incentive payments were issued in 2024.

Note 13 Asset Retirement Obligations

The City of Loveland has two tangible capital assets that will require asset retirement obligations, the Hydropower Generating Facility located on the Big Thompson River and the Solar Field located on the west side of Loveland.

The Hydropower Generating Facility was destroyed in the 2013 flood. The City of Loveland decided to retire the facility and as a result the infrastructure relating to this facility needs to be removed and the surrounding area restored to a natural state. The obligation to restore the area to a natural state was required by the U. S. Forest Service with regard to the lease of their land provided in service to our U. S. Federal Energy Regulatory Commission license for the Hydro Plant.

The method to measure the liability was based on the contract to restore the area.

There is not a remaining useful life for the hydropower generating facility as it was destroyed in the 2013 flood. The entire asset retirement obligation was recognized in 2019.

The funding for the asset retirement obligation is from the fund balance of the Electric & Communications fund.

There will not be any restricted assets for the payment of the liability as it is able to be fully funded with the resources from the Electric & Communications fund.

The Solar Field is located in west Loveland and consists of 10,450 solar panels with an expected life of twenty years. The obligation by the Environmental Protection Agency to remediate the solar panels began when the solar facility was placed in service in 2017.

The method used to measure the liability was based on the current cost to dispose of each solar panel in an environmentally protective manner, at a cost of \$30 per solar panel.

The remaining useful life of the solar panels is twelve and one half years. The City of Loveland depreciates assets using a mid-year convention, the solar panels have been in service for seven and one half years.

The funding for the asset retirement obligation is from the fund balance of the Electric & Communications fund.

There will not be any restricted assets for the payment of the liability as it is able to be fully funded with the resources from the Electric & Communications fund.

Note 14 Pollution Remediation Obligations

The City of Loveland has pollution remediation obligations as defined by GASB Statement No. 49. Liability amounts are included in Noncurrent Liabilities Due Within One Year or Due in More Than One Year. The City's total amount of pollution remediation obligations as of December 31, 2024 was \$710,000 all of which is Due Within One Year as a current liability. Pollution obligations of the City generally include remediation activities related to asbestos abatement and removal, land contamination, and removal of buried waste. Individually significant pollution remediation obligations are disclosed below:

- The City recorded a liability for remediation activities at the former Sugar Beet Factory for removal of soil with Volatile Organic Compounds (VOCs) and contaminants, the removal of buried solid waste and asbestos abatement and removal. The costs are estimated to be \$150,000 in 2025. The cost estimates are based on bids and/or estimates. Estimates may be provided by consultants or be based on past projects and experience.
- The City recorded a liability for remediation activities involving the management of illegal encampments. The City will conduct clean up and removal of abandoned property. The costs are estimated to be \$300,000 in 2025. Costs are estimated by averaging the low and high estimate for the site.
- The City recorded a liability for remediation activities at the Foundry parking garage which has a dewatering permit which requires groundwater sampling, reporting and construction of a treatment system. The costs are estimated to be \$88,000 in 2025.
- The City recorded a liability for remediation activities at the Pulliam Building for periodic removal of asbestos hazardous waste components from remodeling activities. The costs are estimated to be \$172,000 in 2025.

Note 15: Leases

Leases Receivable

The City leases office space within the Loveland Visitor's Center, to the Loveland Chamber of Commerce. The current lease term is for five years, expiring December 31, 2026. There is an escalation clause in the lease that calls for a 2.5% increase in lease payments each year. The lease contains options for two additional five-year terms. The City received monthly payments of \$1,769.10 for 2024. The City recognized \$19,168 in lease revenue and \$7,710 in interest revenue during the current year related to this lease.

The City leases a parcel of land located at 1355 N Lincoln Avenue in Loveland to Good Times Drive Thru, Inc. The current lease term is for 5 years, expiring March 29, 2028. The lease contains an option for one additional five-year term. The lease calls for monthly base rent of \$1,625, with certain variable payments, based on a percentage of the gross sales of the restaurant, not included in the measurement of the lease receivable. The City recognized \$16,533 in lease revenue and \$4,515 in interest revenue during the current year related to this lease.

The City leases various parcels of open land to third parties for farming and grazing purposes. The lease terms range from two years to ten years and call for fixed monthly or annual payments. The City recognized \$53,153 in lease revenue and \$16,138 in interest revenue during the current year related to these leases.

Leases Payable

In August of 2021, the City entered into a three year lease agreement for the use of two undercover police vehicles. An initial lease liability was recorded in the amount of \$39,148. As of December 31, 2024, the value of the lease liability was \$0. The City was required to make monthly principal and interest payments of \$715 for one of the vehicles and \$599 for the other vehicle. The lease expired July 31, 2024.

In September of 2023, the City entered into a two year lease agreement for the use of two undercover police vehicles. An initial lease liability was recorded in the amount of \$42,935 during the current year. As of December 31, 2024, the value of the lease liability was \$14,742. The City is required to make monthly principal and interest payments of \$975 for one of the vehicles and \$899 for the other vehicle. The vehicles have an estimated useful life equal to the lease term.

In August of 2024, the City entered into a two year lease agreement for the use of two undercover police vehicles. An initial lease liability was recorded in the amount of \$30,246. As of December 31, 2024, the value of the lease liability was \$24,094. The City is required to make monthly principal and interest payments of \$650 for each of the vehicles. The vehicles have an estimated useful life equal to the lease term.

In April of 2021, the City entered into a five year lease agreement for the use of (3) Volvo L90H Loaders and a Volvo L-110H Loader. An initial lease liability was recorded in the amount of \$198,983 during the current year. As of December 31, 2024, the value of the lease liability was \$61,178. The City is required to make monthly principal and interest payments of \$2,993 for the (3) L90H loaders and \$1,168 for the L-110H loader. The loaders have an estimated useful life equal to the lease term.

In May of 2015, the City entered into a one year lease agreement for the use of a property located at 137 S. Lincoln Street, Loveland, CO, for the operation of a Day Shelter. The lease agreement contained (4) one-year options to extend the lease. In May of 2018, the lease was amended to allow for an additional (7) one-year options to extend the lease up and through April 30, 2027, unless earlier termination is elected. An initial lease liability was recorded in the amount of \$78,861. In February of 2024, the City purchased the property and the lease liability and the corresponding right-to-use asset were adjusted to zero. The City was required to make monthly principal and interest payments of \$1,287 for January and February of 2024.

In January of 2016, the City entered into a one year lease agreement for the use of property located at 1632 Topaz Dr, Loveland, CO, for the operation of an Employee Wellness Clinic. The lease agreement contained (6) one-year options to extend the lease to December 31, 2022. In October of 2022, the City and the landlord agreed to a new lease agreement to extend the term to December 31, 2023. This lease agreement contains (4) one-year options to extend the lease up and through December 31, 2027, unless earlier termination is elected. An initial lease liability was recorded in the amount of \$148,662. As of December 31, 2024, the value of the lease liability was \$82,467. The City was required to make monthly principal and interest payments of \$2,374 for 2024. The lease calls for a 3.0% escalation in the monthly rental payments

Note 15: Leases (continued)

Leases Payable (continued)

annually, beginning January 1, 2024, which is reflected in the calculation of the lease liability. The rental property has an estimated useful life equal to the lease term.

In November of 2016, the City entered into a two year lease agreement for the use of property located at 2600 N Lincoln, Loveland, CO, for the operation of a Bus Transit Center. After amendments, the lease agreement contains (6) one-year options to extend the lease to October 31, 2024, unless earlier termination is elected. An initial lease liability was recorded in the amount of \$124,936. The lease was terminated in February of 2024 and the lease liability and the corresponding right-to-use asset were adjusted to zero. The City was required to make monthly principal and interest payments of \$3,947 for January and February.

In December of 2020, the City entered into a five year lease agreement for the use of property located at 2695 W. Eisenhower, Loveland, CO (first floor) for office space for PULSE Fiber. The lease agreement contains (1) five-year option to extend the lease to November 30, 2030. An initial lease liability was recorded in the amount of \$415,358. The lease was terminated November 30, 2024 and the lease liability and the corresponding right-to-use asset were adjusted to zero. The City was required to make monthly principal and interest payments of \$4,200 through November of 2024.

In May of 2019, the City entered into a five year lease agreement for the use of property located at 2695 W. Eisenhower, Loveland, CO (second floor) for office space for PULSE Fiber. The lease agreement contains (1) three-year option to extend the lease to April 30, 2027. An initial lease liability was recorded in the amount of \$1,147,434. The lease was terminated April 30, 2024 and the lease liability and the corresponding right-to-use asset were adjusted to zero. The City was required to make principal and interest payments of \$19,142 for January through April.

In May of 2019, the City entered into a five year lease agreement for the use of property located at 2695 W. Eisenhower, Loveland, CO (server room) for office space for PULSE Fiber. The lease agreement contains (1) three-year option to extend the lease to April 30, 2027. An initial lease liability was recorded in the amount of \$15,271. The lease was terminated April 30, 2024 and the lease liability and the corresponding right-to-use asset were adjusted to zero. The City was required to make monthly principal and interest payments of \$253 for January through April.

In May of 2024, the City entered into a five year lease agreement for the use of property located at The Forge Campus, Loveland, CO for office space for PULSE Fiber. The lease agreement contains (2) three-year options to extend the lease to April 30, 2035. An initial lease liability was recorded in the amount of \$3,395,280. As of December 31, 2024, the value of the lease liability was \$3,252,384. The City was required to make monthly principal and interest payments of \$26,195 for 2024. The lease calls for a 3.0% escalation in the monthly rental payments based on the lease's annual anniversary, which is reflected in the calculation of the lease liability. The rental property has an estimated useful life equal to the lease term.

In November of 2024, the City entered into a three year lease agreement for the use of property located at 1349 N. Cleveland, Loveland, CO for office space for the Water Department. The lease agreement contains (1) three-year options to extend the lease to February 28, 2031. An initial lease liability was recorded in the amount of \$182,117. As of December 31, 2024, the value of the lease liability was \$174,964. The City was required to make monthly principal and interest payments of \$4,030 for 2024. The lease calls for a 3.0% escalation in the monthly rental payments based on the lease's annual anniversary, which is reflected in the calculation of the lease liability. The rental property has an estimated useful life equal to the lease term.

In March of 2019, the City entered into a fifty year lease agreement for the use of property located at the Northern Colorado Regional Airport for the construction of a Police Training Campus. An initial lease liability was recorded in the amount of \$4,694,686 during the current year. As of December 31, 2024, the value of the lease liability was \$4,609,524. The City is required to make quarterly principal and interest payments of \$54,208 for 2024. The rental property has an estimated useful life equal to the lease term.

Note 15: Leases (continued)

Leases Payable (continued)

The future principal and interest lease payments as of December 31, 2024, were as follows:

Year	Principal	Interest
2025	418,553	264,570
2026	396,575	251,759
2027	400,090	239,775
2028	338,938	228,226
2029	349,142	217,801
2030 - 2034	2,094,314	909,441
2035 - 2039	481,567	689,666
2040 - 2044	406,861	623,559
2045 - 2049	484,548	545,872
2050 - 2054	577,069	453,351
2055 - 2059	687,257	343,163
2060 - 2064	818,483	211,937
2065 - 2068	765,954	58,382

Note 16: Subscription Based Information Technology Agreements

Agreements Payable

In August of 2021, the City entered into a five year agreement as lessee for the use of OpenGov Financial Integration software. An initial lease liability was recorded in the amount of \$15,303. As of December 31, 2024, the value of the lease liability was \$3,999. The City is required to make an annual principal and interest payment of \$4,080. The software has an estimated useful life equal to the lease term.

In April of 2022, the City entered into a three year agreement as lessee for the use of MicroSoft Office365 software. The agreement contains (1) three-year option to extend the agreement. An initial lease liability was recorded in the amount of \$1,685,632. As of December 31, 2024, the value of the lease liability was \$874,098. The City is required to make an annual principal and interest payment of \$303,151. The software has an estimated useful life equal to the lease term.

In March of 2023, the City entered into an three year agreement as lessee for the use of Environmental Systems Research Institute software. An initial lease liability was recorded in the amount of \$174,828. As of December 31, 2024, the value of the lease liability was \$59,974. The City is required to make an annual principal and interest payment of \$60,500. The software has an estimated useful life equal to the lease term.

The future principal and interest Subscription Based IT Agreement payments as of December 31, 2024, were as follows:

Year	Principal	Interest
2025	346,654	21,077
2026	291,279	11,872
2027	300,138	3,013

Note 17: Subsequent Events

On February 12, 2025, the City issued Certificates of Participation in the amount of \$12,060,000 to finance a portion of the cost of street and sidewalk improvements within the historic core of downtown Loveland in accordance with the "Heart Improvement Program" ("HIP") and programmatic construction management of the project. At the discretion of the City Council, all or a portion of the net proceeds may be allocated to other City or Downtown Development Authority (DDA) improvements. No sources of revenue are pledged to make the payments, however the City intends to budget, appropriate and pay the debt from DDA tax increment revenues.

Required Supplementary Info

Required supplementary information includes budgetary comparison schedules for General Fund, the Loveland Urban Renewal Authority, Loveland Fire Rescue Authority and the Transportation Fund.

City of Loveland, Colorado
General
Budgetary Comparison Schedule
For the Year Ended December 31, 2024

	Budgeted Amounts (unaudited)			Difference with Final Budget
	Original	Final	Actual	
Revenues:				
Taxes	\$ 94,563,209	\$ 94,563,209	\$ 87,453,291	\$ (7,109,918)
Licenses and Permits	3,903,058	3,903,058	4,779,293	876,235
Fines and Penalties	722,769	722,769	642,298	(80,471)
Intergovernmental	5,289,320	10,883,108	7,137,680	(3,745,428)
Charges for Services	4,821,272	5,021,272	5,858,160	836,888
Investment Earnings (Loss)	500,000	500,000	2,737,998	2,237,998
Payment in Lieu of Taxes	11,550,000	11,550,000	10,560,780	(989,220)
Miscellaneous	911,320	1,253,837	2,068,997	815,160
Total Revenues	122,260,948	128,397,253	121,238,497	(7,158,756)
Expenditures:				
Current:				
Legislative	286,930	551,930	369,345	182,585
City Manager	4,889,496	6,783,650	5,225,897	1,557,753
City Attorney	1,792,519	2,868,051	2,737,810	130,241
City Clerk	912,623	912,623	853,153	59,470
Municipal Court	996,836	1,171,314	1,051,230	120,084
Finance	7,581,663	7,581,663	6,608,187	973,476
Human Resources	2,160,232	2,225,432	2,022,363	203,069
Information Technology	5,816,088	6,145,350	5,279,367	865,983
Economic Development	2,007,193	2,057,193	1,481,315	575,878
Development Services	3,765,052	3,788,503	3,484,568	303,935
Public Works	10,919,829	11,053,653	10,574,709	478,944
Police	30,684,001	32,055,003	34,110,209	(2,055,206)
Parks & Recreation	12,606,432	12,648,555	12,070,806	577,749
Library	3,989,685	4,836,692	3,893,545	943,147
Cultural Services	2,901,521	3,001,267	2,576,862	424,405
General Government	12,154,140	12,167,585	12,134,855	32,730
Capital Outlay	7,420,956	12,846,999	3,963,462	8,883,537
Debt Service				
Principal	400,000	400,000	831,095	(431,095)
Interest and debt service costs	760,920	760,920	698,411	62,509
Total Expenditures	112,046,116	123,856,383	109,967,189	13,889,194
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,214,832	4,540,870	11,271,308	6,730,438
Other Financing Sources (Uses):				
Transfers In	612,751	1,409,955	744,924	(665,031)
Transfers (Out)	(23,836,781)	(41,609,011)	(31,681,230)	9,927,781
Total Other Financing Sources (Uses)	(23,224,030)	(40,199,056)	(30,936,306)	9,262,750
Net Change in Fund Balance	(13,009,198)	(35,658,186)	(19,664,998)	15,993,188
Fund Balance--Beginning	62,442,538	62,442,538	62,442,538	-
Fund Balance--Ending	\$ 49,433,340	\$ 26,784,352	\$ 42,777,540	\$ 15,993,188

See accompanying independent auditors' report.

City of Loveland, Colorado
Loveland Urban Renewal Authority
Budgetary Comparison Schedule
For the Year Ended December 31, 2024

	Budgeted Amounts (unaudited)			Difference with Final Budget
	Original	Final	Actual	
Revenues:				
Taxes	\$ 30,038,947	\$ 30,038,947	\$ 20,533,742	\$ (9,505,205)
Intergovernmental	1,000,000	1,000,000	-	(1,000,000)
Investment Earnings (Loss)	41,000	41,000	217,839	176,839
Miscellaneous	10,000	10,000	10,000	-
Total Revenues	31,089,947	31,089,947	20,761,581	(10,328,366)
Expenditures:				
Current:				
Services	2,251,217	2,251,217	85,302	2,165,915
School District Fund	1,000,000	1,000,000	2,562,042	(1,562,042)
Distribution of Tax Increment Financing	21,000,000	21,000,000	17,542,560	3,457,440
Capital Outlay	4,000,000	4,000,000	-	4,000,000
Principal	1,021,020	1,021,020	-	1,021,020
Interest and debt service costs	72,190	72,190	32,133	40,057
Total Expenditures	29,344,427	29,344,427	20,222,037	9,122,390
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,745,520	1,745,520	539,544	(1,205,976)
Other Financing Sources (Uses):				
Transfers (Out)	-	-	(2,458,497)	(2,458,497)
Total Other Financing Sources (Uses)	-	-	(2,458,497)	(2,458,497)
Net Change in Fund Balance	1,745,520	1,745,520	(1,918,953)	(3,664,473)
Fund Balance--Beginning	4,773,686	4,773,686	4,773,686	-
Fund Balance--Ending	\$ 6,519,206	\$ 6,519,206	\$ 2,854,733	\$ (3,664,473)

See accompanying independent auditors' report.

City of Loveland, Colorado
Transportation
Budgetary Comparison Schedule
For the Year Ended December 31, 2024

	Budgeted Amounts (unaudited)			Difference with Final Budget
	Original	Final	Actual	
Revenues:				
Taxes	\$ 90,000	\$ 90,000	\$ 108,321	\$ 18,321
Licenses and Permits	222,000	222,000	292,862	70,862
Intergovernmental	4,563,033	16,147,359	6,905,440	(9,241,919)
Charges for Services	3,876,880	3,876,880	4,640,796	763,916
Investment Earnings (Loss)	1,000	1,000	5,285	4,285
Miscellaneous	3,136,400	144,400	146,478	2,078
Total Revenues	11,889,313	20,481,639	12,099,182	(8,382,457)
Expenditures:				
Current:				
Public Works	12,996,219	16,486,713	13,979,618	2,507,095
Capital Outlay	20,225,513	41,593,858	14,126,911	27,466,947
Interest and debt service costs	31,124	31,124	31,124	-
Total Expenditures	33,252,856	58,111,695	28,137,653	29,974,042
Excess (Deficiency) of Revenues Over (Under) Expenditures	(21,363,543)	(37,630,056)	(16,038,471)	21,591,585
Other Financing Sources (Uses):				
Transfers In	21,517,166	38,061,255	35,664,136	(2,397,119)
Transfers (Out)	(153,623)	(300,725)	(94,848)	205,877
Total Other Financing Sources (Uses)	21,363,543	37,760,530	35,569,288	(2,191,242)
Net Change in Fund Balance	-	130,474	19,530,817	19,400,343
Fund Balance--Beginning	(387,674)	(387,674)	(387,674)	-
Fund Balance--Ending	\$ (387,674)	\$ (257,200)	\$ 19,143,143	\$ 19,400,343

See accompanying independent auditors' report.

City of Loveland, Colorado
Loveland Fire Rescue Authority
Budgetary Comparison Schedule
For the Year Ended December 31, 2024

	Budgeted Amounts (unaudited)			Difference with Final Budget
	Original	Final	Actual	
Revenues:				
Licenses and Permits	\$ 230,000	\$ 230,000	\$ 615,084	\$ 385,084
Intergovernmental	24,748,621	29,603,943	29,622,595	18,652
Charges for Services	1,911,900	1,911,900	2,229,818	317,918
Investment Earnings (Loss)	-	-	776,285	776,285
Miscellaneous	2,198,237	2,213,099	2,583,705	370,606
Total Revenues	29,088,758	33,958,942	35,827,487	1,868,545
Expenditures:				
Current:				
Fire	26,665,877	28,973,881	28,571,463	402,418
Capital Outlay	2,018,426	9,317,463	2,488,651	6,828,812
Principal	962,600	962,600	637,639	324,961
Interest and debt service costs	23,400	23,400	264,645	(241,245)
Total Expenditures	29,670,303	39,277,344	31,962,398	7,314,946
Excess (Deficiency) of Revenues Over (Under) Expenditures	(581,545)	(5,318,402)	3,865,089	9,183,491
Other Financing Sources (Uses):				
Transfers (Out)	-	(6,900)	(16,205)	(9,305)
Total Other Financing Sources (Uses)	-	(6,900)	(16,205)	(9,305)
Net Change in Fund Balance	(581,545)	(5,325,302)	3,848,884	9,174,186
Fund Balance--Beginning	12,251,009	12,251,009	12,251,009	-
Fund Balance--Ending	\$ 11,669,464	\$ 6,925,707	\$ 16,099,893	\$ 9,174,186

See accompanying independent auditors' report.

Defined Benefit Plan Supplementary Information
 Loveland And Rural Consolidated Volunteer Firefighters Pension Fund
Schedule of Contributions

Schedule of Contributions Multiyear

FY Ending December 31,	Actuarially Determined Contribution	Actual Contribution*	Percent
2024	\$ 171,258	\$ 171,258	100.00%
2023	\$ 179,392	\$ 179,392	100.00%
2022	\$ 179,302	\$ 179,302	100.00%
2021	240,164	\$ 240,164	100.00%
2020	167,365	167,365	100.00%
2019	123,400	123,400	100.00%
2018	173,178	173,178	100.00%
2017	101,670	101,670	100.00%
2016	177,764	177,764	100.00%
2015	188,023	188,023	100.00%

*Includes both employer and State of Colorado Supplemental Discretionary Payment. This schedule is required by GASB 68 to show information for a 10 year period.

Actuarial Methods and Assumptions

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open
Remaining Amortization Period	20 years
Asset Valuation Method	5-Year smoothed fair value
Inflation	2.5%
Investment Rate of Return	7.0%
Retirement Age	50% per year of eligibility until 100% at age 65
Mortality	Pre-retirement : 2006 central rates from the RP-2014 Employee Mortality Tables for males and females, projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, 50% multiplier for off-duty mortality. Post- Retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years. Disabled: 2006 central rates from the RP-2014 Disabled Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates for the scale for all years.

City of Loveland, Colorado

Schedule of Changes in the Plan's Net Pension Liability and Related Ratios

Financial Reporting period ending December 31,	2024	2023	2022	2021
Measurement period ending December 31,	2023	2022	2021	2020
Total Pension Liability				
Service Cost				
Interest on the Total Pension Liability	244,446	258,785	268,704	260,104
Benefit Changes				
Difference between Expected and Actual Experience	-	(80,573)		273,482
Assumption Changes	-	13,779		
Benefit Payments	(384,709)	(408,563)	(412,165)	(409,356)
Net Change in Total Pension Liability	(140,263)	(216,572)	(143,461)	124,230
Total Pension Liability - Beginning	3,681,190	3,897,762	4,041,223	3,916,993
Total Pension Liability - Ending (a)	3,540,927	3,681,190	3,897,762	4,041,223
Plan Fiduciary Net Position				
Employer Contributions	101,700	101,700	101,700	101,700
Pension Plan Net Investment Income	197,623	(211,786)	352,164	291,913
Benefit Payments	(384,709)	(408,563)	(412,165)	(409,356)
Pension Plan Administrative Expense	(22,315)	(18,754)	(18,509)	(14,563)
State of Colorado Supplemental Discretionary Payment	77,692	77,602	138,464	65,665
Net Change in Plan Fiduciary Net Position	(30,009)	(459,801)	161,654	35,359
Plan Fiduciary Net Position - Beginning	2,208,199	2,668,000	2,506,346	2,470,987
Plan Fiduciary Net Position - Ending (b)	2,178,190	2,208,199	2,668,000	2,506,346
Net Pension Liability - Ending (a) - (b)	\$ 1,362,737	\$ 1,472,991	\$ 1,229,762	\$ 1,534,877
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	61.51%	59.99%	68.45%	62.02%
Covered Payroll	N/A	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A

2020	2019	2018	2017	2016	2015
2019	2018	2017	2016	2015	2014
\$ -	\$ -	\$ -	\$ 7,212	\$ 7,212	\$ 9,256
270,052	275,919	284,838	251,537	260,183	248,058
-	-	-	259,856	-	274,064
-	188,728	-	173,817	-	1,626
-	126,564	-	152,811	-	0
(414,869)	(409,231)	(398,494)	(396,888)	(368,980)	(371,640)
(144,817)	181,980	(113,656)	448,345	(101,585)	161,364
4,061,810	3,879,830	3,993,486	3,545,141	3,646,726	3,485,362
3,916,993	4,061,810	3,879,830	3,993,486	3,545,141	3,646,726
123,400		101,670	91,175	101,434	96,210
334,026	2,940	360,131	133,811	51,437	183,273
(414,869)	(409,231)	(398,494)	(396,888)	(368,980)	(371,640)
(16,647)	(14,627)	(14,890)	(4,314)	(6,397)	(4,607)
-	173,178	-	86,589	86,589	86,589
25,910	(247,740)	48,417	(89,627)	(135,917)	(10,175)
2,445,077	2,692,817	2,644,400	2,734,027	2,869,944	2,880,119
2,470,987	2,445,077	2,692,817	2,644,400	2,734,027	2,869,944
\$ 1,446,006	\$ 1,616,733	\$ 1,187,013	\$ 1,349,086	\$ 811,114	\$ 776,782
63.08%	60.20%	69.41%	66.22%	77.12%	78.70%
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A

Notes to Required Supplementary Information (RSI)

Budgets and Budgetary Accounting

The City follows these procedures in establishing the budget as reflected in the financial statements:

- Prior to September 20, the City Manager submits to the City Council, a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 15, the budget is legally enacted through passage of an ordinance. This ordinance authorizes a lump-sum expenditure budget for the City taken as a whole. An appropriation ordinance is also adopted which allocates the total budget to each individual fund. This allocation of the appropriation may not be legally exceeded by an individual fund.
- Funds are budgeted at the fund level.
- Supplemental appropriations are approved on an individual fund level basis. Supplemental appropriations of \$230,974,790 were approved during 2024 - of which \$177,792,091 was for non-lapsing capital and grant funded projects, \$44,134,351 was approved via the "Mid-Year Budget Package" and \$13,351,950 was approved via the "Year-End Budget Package". Management may revise budgets within an individual fund for internal management purposes. Increases to an individual fund's appropriated total and transfers between funds must be approved by City Council. Budgets included in this report reflect all supplemental appropriations legally adopted by City Council.
- Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Capital Projects Funds, and Permanent Funds.
- Budgets for the General, Special Revenue, the City's Capital Projects Fund, and all Permanent Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP) with the exception that the proceeds and uses of new capital leases are not budgeted. For Special Improvement District No. 1, one budget was adopted for the district. Budgets for Enterprise and Internal Service are adopted to fulfill statutory requirements and are prepared on an appropriation basis. Principally, the appropriation basis of budgeting provides for a full accrual basis of accounting, capital expenditures, and bond principal payments but does not provide for depreciation, amortization, or for estimated claims liabilities.
- All appropriations lapse at year-end per State statutes except for grants and capital projects. This change was adopted by the City of Loveland Council in 2019. Any capital or grant project with available budget is eligible for rollover into the next fiscal year.
- The Capital Projects fund and the Community Development Block Grant fund show negative fund balances as of December 31, 2024. The shortage in the Capital Projects fund is due to projects not being fully funded. Funds are being transferred from other funds to reduce the deficit. The shortage in the Community Development Block Grant fund is due to revenue not being available and being recorded as a deferred inflow. The revenue should be recognized in 2025 to eliminate the fund deficit.
- The Transportation fund had a deficit budget due to a negative fund balance at the end of 2023. Measures were taken to eliminate the fund deficit, but budget did not take that into account. The Loveland Larimer Building Authority fund also had a deficit budget due to additional expenditures being budgeted throughout the year, but funding from the City and our funding partner to cover those expenditures was not. To ensure budget deficits are eliminated going forward, the budgets for these funds will be reviewed by Finance staff.
- An actuarial valuation is performed annually to determine the total pension liability. The net pension liability is to be measured as the total pension liability less the Plan's fiduciary net position. To value the Plan, the actuary must predict future events such as investment return, mortality, and rates of termination and retirement using actuarial assumptions. Any variation in future experience from that expected, from these assumptions will result in corresponding changes in the estimated costs of the Plan's benefits.

Other Major Funds

The Capital Expansion Funds are designed to address the need for capital facilities. The Capital Projects Fund accounts for all infrastructure construction and major equipment, machinery and facility expenditures that will provide long-term service or other public benefits.

City of Loveland, Colorado
Capital Expansion Fees
Budgetary Comparison Schedule
For the Year Ended December 31, 2024

	Budgeted Amounts (unaudited)			Difference with Final Budget
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$ 600,000	\$ 4,892,977	\$ 1,028,746	\$ (3,864,231)
Charges for Services	6,587,587	8,237,587	11,879,721	3,642,134
Investment Earnings (Loss)	74,149	74,149	2,525,095	2,450,946
Miscellaneous	139,047	139,047	74,206	(64,841)
Total Revenues	7,400,783	13,343,760	15,507,768	2,164,008
Expenditures				
Public Works	-	226,600	226,670	(70)
Police	-	-	6,475	(6,475)
Parks & Recreation	75,816	301,749	82,410	219,339
Library	15,000	15,000	-	15,000
General Government	-	253,928	152,456	101,472
Capital Outlay	3,890,000	16,239,001	7,848,128	8,390,873
Total Expenditures	3,980,816	17,036,278	8,316,139	8,720,139
Excess (deficiency) of revenues over (under) expenditures	3,419,967	(3,692,518)	7,191,629	10,884,147
Other Financing Sources (Uses):				
Transfers (Out)	(20,000)	(12,483,549)	(11,790,205)	693,344
Total Other Financing Sources (Uses)	(20,000)	(12,483,549)	(11,790,205)	693,344
Net Change in Fund Balance	3,399,967	(16,176,067)	(4,598,576)	11,577,491
Fund Balance--Beginning	54,913,745	54,913,745	54,913,745	-
Fund Balance--Ending	\$ 58,313,712	\$ 38,737,678	\$ 50,315,169	\$ 11,577,491

See accompanying independent auditors' report.

City of Loveland, Colorado
Capital Project Funds
Budgetary Comparison Schedule
For the Year Ended December 31, 2024

	Budgeted Amounts (unaudited)			Difference with Final Budget	
	Original	Final	Actual		
Revenues:					
Intergovernmental	\$ -	\$ 400,000	\$ 42,811	\$ (357,189)	
Investment Earnings (Loss)	-	-	203,774	203,774	
Miscellaneous	9,000,000	1,030,000	63,000	(967,000)	
Total Revenues	9,000,000	1,430,000	309,585	(1,120,415)	
Expenditures					
Information Technology	320,193	1,570,193	-	1,570,193	
Public Works	-	571,073	789,232	(218,159)	
Capital Outlay	15,097,058	20,637,042	6,744,275	13,892,767	
Total Expenditures	15,417,251	22,778,308	7,533,507	15,244,801	
Excess (deficiency) of revenues over (under) expenditures	(6,417,251)	(21,348,308)	(7,223,922)	14,124,386	
Other Financing Sources (Uses):					
Transfers In	9,330,225	23,627,413	7,541,241	(16,086,172)	
Transfers (Out)	(8,167)	(354,295)	(52,373)	301,922	
Total Other Financing Sources (Uses)	9,322,058	23,273,118	7,488,868	(15,784,250)	
Net Change in Fund Balance	2,904,807	1,924,810	264,946	(1,659,864)	
Fund Balance--Beginning	(771,218)	(771,218)	(771,218)	-	
Fund Balance--Ending	\$ 2,133,589	\$ 1,153,592	\$ (506,272)	\$ (1,659,864)	

See accompanying independent auditors' report.

Non-Major Government Funds

SPECIAL REVENUE FUNDS

GENERAL IMPROVEMENT DISTRICT #1—to account for operations and maintenance of downtown parking lots and landscaping. Financing is provided by a special mill levy.

CONSERVATION TRUST—to account for Parks & Recreation improvements, developments or acquisitions. Financing to be provided from State operated lottery. These funds can only be used for parks and recreation by State law. The fund is required by State Statute.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) — to account for CDBG grant monies that are received by the City of Loveland for being an entitlement city from the Department of HUD.

LARIMER COUNTY OPEN SPACE—to account for collection and expenditure of the City's allocation of County sales and use tax for open space acquisition.

LOVELAND/LARIMER BUILDING AUTHORITY—to account for the maintenance and operation of the Police and Courts Building.

AFFORDABLE HOUSING—to account for proceeds from land owner agreements upon sale of affordable housing residencies.

POLICE SEIZURES & FORFEITURES—to account for funds that were seized or forfeited by the Police Department resulting from criminal investigations. These funds can only be used towards police activities as mandated by Federal and State law.

LODGING TAX—to account for funds collected for the purpose of promoting tourism, conventions and related activities within the City by marketing the City and sponsoring community events.

PEG FEE—to account for funding used for equipment to broadcast council meetings and other Government programming.

FIBER NETWORK—to account for funding used for improvements and maintenance of the fiber network city-wide.

DOWNTOWN DEVELOPMENT AUTHORITY—to account for funding to aid in the development and redevelopment of properties within the boundaries of the Authority.

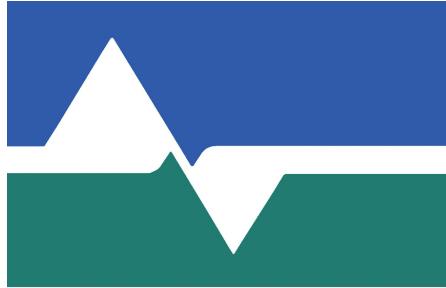
POLICE TRAINING CAMPUS—to account for operations and maintenance of the Police Training Campus. Funding is provided jointly by the City of Loveland and the City of Fort Collins.

PARKS & RECREATION IMPROVEMENT - to account for the improvement of existing parks. Financing is provided by user fees and the sale of undeveloped and unused park land.

PERMANENT FUND

PERPETUAL CARE—to account for monies provided for ongoing maintenance of the cemetery once the cemetery is filled. Financing provided from portion of lot sales at the cemetery and interest income.

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City of Loveland, Colorado
Combining Balance Sheet
Non-Major Governmental Funds
December 31, 2024

SPECIAL REVENUE						
	General Improvement District #1	Conservation Trust	Community Development Block Grant	Larimer County Open Space	Downtown Development Authority	Loveland/Larimer Building Authority
ASSETS						
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash	186,744	1,004,018	4,173	438,773	928,215	253
Equity in Pooled Investments	312,393	3,279,662	18,557	7,334,482	849,112	3,979
Receivables (Net):						
Taxes	65,981	-	-	558,439	1,130,432	-
Accounts	-	-	-	-	191,437	177,288
Grants	-	34,855	67,864	542,679	-	-
Lease Receivable	-	-	-	502,386	-	-
Due from Other Funds	-	-	-	-	-	115,322
Accrued Interest	1,919	18,141	-	32,756	14,968	-
Inventory	-	-	-	-	-	-
Restricted Assets:						
Equity in Pooled Restricted Cash	-	500,000	-	1,234,274	2,536,050	-
Total Assets	567,037	4,836,676	90,594	10,643,789	5,650,214	296,842
LIABILITIES						
Accounts Payable	-	364,205	75,128	186,729	4,659	21,559
Accrued Liabilities	-	14,019	3,347	43,001	-	5,283
Due to Other Funds	225,000	-	30,000	-	-	270,000
Total Liabilities	225,000	378,224	108,475	229,730	4,659	296,842
DEFERRED INFLOWS OF RESOURCES						
Deferred Property Taxes	65,371	-	-	-	1,130,432	-
Deferred Inflow from Leases	-	-	-	453,616	-	-
Unavailable Other Revenue	-	34,855	49,074	542,679	-	-
Total Deferred Inflows of Resources	65,371	34,855	49,074	996,295	1,130,432	-
Total Liabilities and Deferred Inflows of Resources	290,371	413,079	157,549	1,226,025	1,135,091	296,842
Fund Balances:						
Nonspendable	-	-	-	-	-	-
Restricted	276,666	4,423,597	-	9,417,764	4,515,123	-
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	(66,955)	-	-	-
Total Fund Balances	276,666	4,423,597	(66,955)	9,417,764	4,515,123	-
Total Liabilities and Fund Balances	\$ 567,037	\$ 4,836,676	\$ 90,594	\$ 10,643,789	\$ 5,650,214	\$ 296,842

See accompanying independent auditors' report.

AFFORDABLE HOUSING	SPECIAL REVENUE					POLICE TRAINING CAMPUS	CAPITAL PROJECTS	PERMANENT FUND
	POLICE SEIZURES & FORFEITURES	LODGING TAX	PEG FEE	FIBER NETWORK	PARKS & RECREATION IMPROVEMENT			
\$ 871,678	\$ 15,773	\$ 300	\$ 98,310	\$ 28,621	\$ 530,569	\$ 210,892	\$ 1,215,135	
1,223,500	35,727	379,112	166,917	200,566	318,596	348,973		2,698,384
-	-	71,299	9,801	-	-	-	-	-
-	-	22,897	-	-	40,127	-	-	-
-	-	68,048	-	-	-	-	-	-
-	-	249,648	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
8,104	197	4,198	1,025	850	2,186	3,875		15,036
-	-	39,033	-	-	-	-	-	-
-	-	-	-	-	-	451,927		-
2,103,282	51,697	1,557,933	276,053	230,037	891,478	1,015,667	3,928,555	
16,403	-	73,212	-	3,408	59,339	-	-	-
-	-	23,689	-	-	4,595	-	-	-
-	-	-	-	-	-	-	-	-
16,403	-	96,901	-	3,408	63,934	-	-	-
-	-	-	-	-	-	-	-	-
-	-	230,020	-	-	-	-	-	-
-	-	28,659	-	-	-	-	-	-
-	-	258,679	-	-	-	-	-	-
16,403	-	355,580	-	3,408	63,934	-	-	-
-	-	39,033	-	-	-	-	-	3,928,555
-	51,697	1,163,320	-	-	827,544	451,927	-	-
2,086,879	-	-	276,053	-	-	-	-	-
-	-	-	-	226,629	-	563,740	-	-
-	-	-	-	-	-	-	-	-
2,086,879	51,697	1,202,353	276,053	226,629	827,544	1,015,667	3,928,555	
\$ 2,103,282	\$ 51,697	\$ 1,557,933	\$ 276,053	\$ 230,037	\$ 891,478	\$ 1,015,667	\$ 3,928,555	

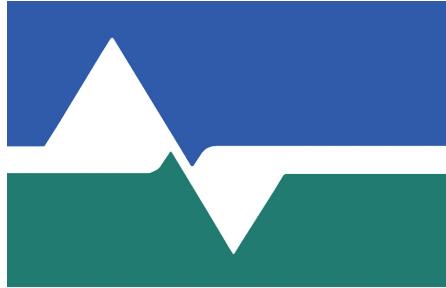
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City of Loveland, Colorado
Combining Balance Sheet
Non-Major Governmental Funds
December 31, 2024

Total	
ASSETS	
Cash	\$ 300
Equity in Pooled Cash	5,912,266
Equity in Pooled Investments	17,514,246
Receivables (Net):	
Taxes	1,835,952
Accounts	431,749
Grants	713,446
Lease Receivable	752,034
Due from Other Funds	115,322
Accrued Interest	103,255
Inventory	39,033
Restricted Assets:	
Equity in Pooled Restricted Cash	4,722,251
Total Assets	32,139,854
LIABILITIES	
Accounts Payable	804,642
Accrued Liabilities	93,934
Due to Other Funds	525,000
Total Liabilities	1,423,576
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Taxes	1,195,803
Deferred Inflow from Leases	683,636
Unavailable Other Revenue	655,267
Total Deferred Inflows of Resources	2,534,706
Total Liabilities and Deferred Inflows of Resources	3,958,282
Fund Balances:	
Nonspendable	3,967,588
Restricted	21,127,638
Committed	2,362,932
Assigned	790,369
Unassigned	(66,955)
Total Fund Balances	28,181,572
Total Liabilities and Fund Balances	\$ 32,139,854

See accompanying independent auditors' report.

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City of Loveland, Colorado

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Non-Major Governmental Funds

For the Year Ended December 31, 2024

SPECIAL REVENUE						
	General Improvement District #1	Conservation Trust	Community Development Block Grant	Larimer County Open Space	Downtown Development Authority	Loveland/Larimer Building Authority
Revenues:						
Taxes	\$ 87,422	\$ -	\$ -	\$ 3,098,592	\$ 1,515,276	\$ -
Intergovernmental	-	957,236	268,881	-	-	595,541
Charges for Services	-	-	-	-	-	-
Investment Earnings (Loss)	18,946	231,455	1,033	516,560	119,458	127
Miscellaneous	-	5	-	43,507	-	-
Total Revenues	106,368	1,188,696	269,914	3,658,659	1,634,734	595,668
Expenditures:						
Current:						
City Manager	-	-	336,869	-	-	-
Information Technology	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-
Public Works	-	-	-	-	-	595,668
Police	-	-	-	-	-	-
Parks & Recreation	-	453,207	-	1,929,275	-	-
General Government	3,132	-	-	-	956,000	-
Capital Outlay	-	1,731,230	-	4,718,634	12,115	-
Principal	-	-	-	-	86,377	-
Interest and debt service costs	-	-	-	-	31,890	-
Total Expenditures	3,132	2,184,437	336,869	6,647,909	1,086,382	595,668
Excess (Deficiency) of Revenues Over Expenditures	103,236	(995,741)	(66,955)	(2,989,250)	548,352	-
Other Financing Sources (Uses):						
Transfers In	-	-	-	-	3,505,779	-
Transfers (Out)	(225,000)	-	-	(9,087)	(1,072,847)	-
Total Other Financing Sources (Uses)	(225,000)	-	-	(9,087)	2,432,932	-
Net Change in Fund Balance	(121,764)	(995,741)	(66,955)	(2,998,337)	2,981,284	-
Fund Balances—Beginning	398,430	5,419,338	-	12,416,101	1,533,839	-
Fund Balances—Ending	\$ 276,666	\$ 4,423,597	\$ (66,955)	\$ 9,417,764	\$ 4,515,123	\$ -

See accompanying independent auditors' report.

SPECIAL REVENUE						CAPITAL PROJECTS	PERMANENT FUND
Affordable Housing	Police Seizures & Forfeitures	Lodging Tax	PEG Fee	Fiber Network	Police Training Campus	Parks & Recreation Improvement	Perpetual Care
\$ - \$ -	\$ 1,475,975	\$ 48,951	\$ -	\$ -	\$ 579,794	\$ -	\$ -
- -	40,128	-	-	-	138,534	110,104	108,988
69,993	2,307	45,109	12,765	13,913	17,285	35,082	172,944
66,972	-	253,906	-	-	-	7,725	-
136,965	2,307	1,815,118	61,716	13,913	735,613	152,911	281,932
41,291	-	-	-	-	-	-	-
- -	-	10,932	14,052	-	-	-	-
- -	1,702,047	-	-	-	-	-	-
- -	-	-	-	-	-	-	-
- -	-	-	-	-	412,090	-	-
- -	-	-	-	-	-	20,748	1,612
757	21	428	100	119	186	-	-
- -	-	-	-	64,944	56,023	20,564	74,675
- -	-	-	-	-	-	-	-
42,048	21	1,702,475	11,032	79,115	468,299	41,312	76,287
94,917	2,286	112,643	50,684	(65,202)	267,314	111,599	205,645
450,000	-	5,000	-	-	-	-	-
- -	(10,000)	-	(580)	-	-	-	(972)
450,000	-	(5,000)	-	(580)	-	-	(972)
544,917	2,286	107,643	50,684	(65,782)	267,314	111,599	204,673
1,541,962	49,411	1,094,710	225,369	292,411	560,230	904,068	3,723,882
\$ 2,086,879	\$ 51,697	\$ 1,202,353	\$ 276,053	\$ 226,629	\$ 827,544	\$ 1,015,667	\$ 3,928,555

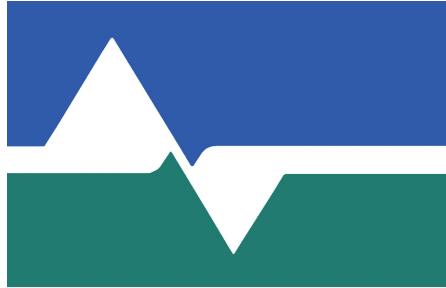
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City of Loveland, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended December 31, 2024

Total	
Revenues:	
Taxes	\$ 6,226,216
Intergovernmental	2,441,580
Charges for Services	357,626
Investment Earnings (Loss)	1,256,977
Miscellaneous	372,115
Total Revenues	10,654,514
Expenditures:	
Current:	
City Manager	378,160
Information Technology	24,984
Economic Development	1,702,047
Public Works	595,668
Police	412,090
Parks & Recreation	2,404,842
General Government	960,743
Capital Outlay	6,678,185
Principal	86,377
Interest and debt service costs	31,890
Total Expenditures	13,274,986
Excess (Deficiency) of	
Revenues Over	
Expenditures	(2,620,472)
Other Financing Sources (Uses):	
Transfers In	3,960,779
Transfers (Out)	(1,318,486)
Total Other Financing Sources (Uses)	2,642,293
Net Change in Fund Balance	21,821
Fund Balances--Beginning	28,159,751
Fund Balances--Ending	\$ 28,181,572

See accompanying independent auditors' report.

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City of Loveland, Colorado
General Improvement District #1
Budgetary Comparison Schedule
For the Year Ended December 31, 2024

	Budgeted Amounts (unaudited)			Difference with Final Budget
	Original	Final	Actual	
Revenues:				
Taxes	\$ 56,500	\$ 56,500	\$ 87,422	\$ 30,922
Investment Earnings (Loss)	3,000	3,000	18,946	15,946
Total Revenues	59,500	59,500	106,368	46,868
Expenditures:				
Current:				
General Government	56,500	56,500	3,132	53,368
Total Expenditures	56,500	56,500	3,132	53,368
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,000	3,000	103,236	100,236
Other Financing Sources (Uses):				
Transfers (Out)	-	(225,000)	(225,000)	-
Total Other Financing Sources (Uses)	-	(225,000)	(225,000)	-
Net Change in Fund Balance	3,000	(222,000)	(121,764)	100,236
Fund Balance--Beginning	398,430	398,430	398,430	-
Fund Balance--Ending	\$ 401,430	\$ 176,430	\$ 276,666	\$ 100,236

See accompanying independent auditors' report.

**City of Loveland, Colorado
Conservation Trust
Budgetary Comparison Schedule
For the Year Ended December 31, 2024**

	Budgeted Amounts (unaudited)			Difference with Final Budget
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$ 1,454,250	\$ 2,054,250	\$ 957,236	\$ (1,097,014)
Investment Earnings (Loss)	83,462	83,462	231,455	147,993
Miscellaneous	-	-	5	5
Total Revenues	1,537,712	2,137,712	1,188,696	(949,016)
Expenditures:				
Current:				
Parks & Recreation	564,622	637,541	453,207	184,334
Capital Outlay	-	5,372,544	1,731,230	3,641,314
Total Expenditures	564,622	6,010,085	2,184,437	3,825,648
Net Change in Fund Balance	973,090	(3,872,373)	(995,741)	2,876,632
Fund Balance--Beginning	5,419,338	5,419,338	5,419,338	-
Fund Balance--Ending	\$ 6,392,428	\$ 1,546,965	\$ 4,423,597	\$ 2,876,632

See accompanying independent auditors' report.

City of Loveland, Colorado
Community Development Block Grant
Budgetary Comparison Schedule
For the Year Ended December 31, 2024

	Budgeted Amounts (unaudited)		Actual	Difference with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 377,890	\$ 1,114,714	\$ 268,881	\$ (845,833)
Investment Earnings (Loss)	-	-	1,033	1,033
Total Revenues	377,890	1,114,714	269,914	(844,800)
Expenditures:				
Current:				
City Manager	322,503	1,059,327	336,869	722,458
Total Expenditures	322,503	1,059,327	336,869	722,458
Net Change in Fund Balance	55,387	55,387	(66,955)	(122,342)
Fund Balance--Beginning	-	-	-	-
Fund Balance--Ending	\$ 55,387	\$ 55,387	\$ (66,955)	\$ (122,342)

See accompanying independent auditors' report.

City of Loveland, Colorado
Larimer County Open Space
Budgetary Comparison Schedule
For the Year Ended December 31, 2024

	Budgeted Amounts (unaudited)			Difference with Final Budget
	Original	Final	Actual	
Revenues:				
Taxes	\$ 2,800,000	\$ 2,800,000	\$ 3,098,592	\$ 298,592
Intergovernmental	1,000,000	1,170,000	-	(1,170,000)
Investment Earnings (Loss)	100,000	100,000	516,560	416,560
Miscellaneous	100,000	100,000	43,507	(56,493)
Total Revenues	4,000,000	4,170,000	3,658,659	(511,341)
Expenditures:				
Parks & Recreation	1,994,111	2,788,475	1,929,275	859,200
Capital Outlay	2,000,000	9,357,701	4,718,634	4,639,067
Total Expenditures	3,994,111	12,146,176	6,647,909	5,498,267
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,889	(7,976,176)	(2,989,250)	4,986,926
Other Financing Sources (Uses):				
Transfers (Out)	-	-	(9,087)	(9,087)
Total Other Financing Sources (Uses)	-	-	(9,087)	(9,087)
Net Change in Fund Balance	5,889	(7,976,176)	(2,998,337)	4,977,839
Fund Balance--Beginning	12,416,101	12,416,101	12,416,101	-
Fund Balance--Ending	\$ 12,421,990	\$ 4,439,925	\$ 9,417,764	\$ 4,977,839

See accompanying independent auditors' report.

City of Loveland, Colorado
Downtown Development Authority
Budgetary Comparison Schedule
For the Year Ended December 31, 2024

	Budgeted Amounts (unaudited)			Difference with Final Budget
	Original	Final	Actual	
Revenues:				
Taxes	\$ 1,281,720	\$ 1,281,720	\$ 1,515,276	\$ 233,556
Investment Earnings (Loss)	4,000	4,000	119,458	115,458
Total Revenues	1,285,720	1,285,720	1,634,734	349,014
Expenditures:				
General Government	810,610	1,064,896	956,000	108,896
Capital Outlay	-	-	12,115	(12,115)
Principal	-	-	86,377	(86,377)
Interest and debt service costs	-	120,000	31,890	88,110
Total Expenditures	810,610	1,184,896	1,086,382	98,514
Excess (Deficiency) of Revenues Over (Under) Expenditures	475,110	100,824	548,352	447,528
Other Financing Sources (Uses):				
Transfers In	-	1,050,000	3,505,779	2,455,779
Transfers (Out)	-	(1,075,565)	(1,072,847)	2,718
Total Other Financing Sources (Uses)	-	(25,565)	2,432,932	2,458,497
Net Change in Fund Balance	475,110	75,259	2,981,284	2,906,025
Fund Balance--Beginning	1,533,839	1,533,839	1,533,839	-
Fund Balance--Ending	\$ 2,008,949	\$ 1,609,098	\$ 4,515,123	\$ 2,906,025

See accompanying independent auditors' report.

City of Loveland, Colorado
Loveland Larimer Building Authority
Budgetary Comparison Schedule
For the Year Ended December 31, 2024

	Budgeted Amounts (unaudited)		Actual	Difference with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 711,892	\$ 711,892	\$ 595,541	\$ (116,351)
Investment Earnings (Loss)	-	-	127	127
Total Revenues	711,892	711,892	595,668	(116,224)
Expenditures:				
Current:				
Public Works	711,892	719,521	595,668	123,853
Capital Outlay	-	96,000	-	96,000
Total Expenditures	711,892	815,521	595,668	219,853
Net Change in Fund Balance	-	(103,629)	-	103,629
Fund Balance--Beginning	-	-	-	-
Fund Balance--Ending	\$ -	\$ (103,629)	\$ -	\$ 103,629

See accompanying independent auditors' report.

City of Loveland, Colorado
Affordable Housing
Budgetary Comparison Schedule
For the Year Ended December 31, 2024

	Budgeted Amounts (unaudited)			Difference with Final Budget	
	Original	Final	Actual		
Revenues:					
Investment Earnings (Loss)	\$ -	\$ -	\$ 69,993	\$ 69,993	
Miscellaneous	-	-	66,972	66,972	
Total Revenues	-	-	136,965	136,965	
Expenditures:					
City Manager	450,000	1,345,120	41,291	1,303,829	
General Government	-	-	757	(757)	
Total Expenditures	450,000	1,345,120	42,048	1,303,072	
Excess (Deficiency) of Revenues Over (Under) Expenditures	(450,000)	(1,345,120)	94,917	1,440,037	
Other Financing Sources (Uses):					
Transfers In	450,000	450,000	450,000	-	
Total Other Financing Sources (Uses)	450,000	450,000	450,000	-	
Net Change in Fund Balance	-	(895,120)	544,917	1,440,037	
Fund Balance--Beginning	1,541,962	1,541,962	1,541,962	-	
Fund Balance--Ending	\$ 1,541,962	\$ 646,842	\$ 2,086,879	\$ 1,440,037	

See accompanying independent auditors' report.

City of Loveland, Colorado
Police Seizures & Forfeitures
Budgetary Comparison Schedule
For the Year Ended December 31, 2024

	Budgeted Amounts (unaudited)		Actual	Difference with Final Budget
	Original	Final		
Revenues:				
Investment Earnings (Loss)	\$ -	\$ -	\$ 2,307	\$ 2,307
Total Revenues	-	-	2,307	2,307
Expenditures:				
General Government	-	-	21	(21)
Total Expenditures	-	-	21	(21)
Net Change in Fund Balance	-	-	2,286	2,286
Fund Balance--Beginning	49,411	49,411	49,411	-
Fund Balance--Ending	\$ 49,411	\$ 49,411	\$ 51,697	\$ 2,286

See accompanying independent auditors' report.

City of Loveland, Colorado
Lodging Tax
Budgetary Comparison Schedule
For the Year Ended December 31, 2024

	Budgeted Amounts (unaudited)			Difference with Final Budget
	Original	Final	Actual	
Revenues:				
Taxes	\$ 1,083,206	\$ 1,083,206	\$ 1,475,975	\$ 392,769
Intergovernmental	100,000	275,692	40,128	(235,564)
Investment Earnings (Loss)	-	-	45,109	45,109
Miscellaneous	118,000	121,500	253,906	132,406
Total Revenues	1,301,206	1,480,398	1,815,118	334,720
Expenditures:				
Economic Development	1,538,682	1,959,414	1,702,047	257,367
General Government	-	-	428	(428)
Total Expenditures	1,538,682	1,959,414	1,702,475	256,939
Excess (Deficiency) of Revenues Over (Under) Expenditures	(237,476)	(479,016)	112,643	591,659
Other Financing Sources (Uses):				
Transfers In	-	5,004	5,000	(4)
Transfers (Out)	(10,000)	(10,000)	(10,000)	-
Total Other Financing Sources (Uses)	(10,000)	(4,996)	(5,000)	(4)
Net Change in Fund Balance	(247,476)	(484,012)	107,643	591,655
Fund Balance--Beginning	1,094,710	1,094,710	1,094,710	-
Fund Balance--Ending	\$ 847,234	\$ 610,698	\$ 1,202,353	\$ 591,655

See accompanying independent auditors' report.

City of Loveland, Colorado
PEG Fee
Budgetary Comparison Schedule
For the Year Ended December 31, 2024

	Budgeted Amounts (unaudited)			Actual		Difference with Final Budget
	Original	Final				
Revenues:						
Taxes	\$ 80,000	\$ 80,000		\$ 48,951	\$ (31,049)	
Investment Earnings (Loss)	-	-		12,765	12,765	
Total Revenues	80,000	80,000		61,716	(18,284)	
Expenditures:						
Current:						
Information Technology	50,000	50,000		10,932	39,068	
General Government	-	-		100	(100)	
Capital Outlay:						
Capital Outlay	50,000	50,000		-	50,000	
Total Expenditures	100,000	100,000		11,032	88,968	
Net Change in Fund Balance	(20,000)	(20,000)		50,684	70,684	
Fund Balance--Beginning	225,369	225,369		225,369	-	
Fund Balance--Ending	\$ 205,369	\$ 205,369		\$ 276,053	\$ 70,684	

See accompanying independent auditors' report.

City of Loveland, Colorado
Fiber Network
Budgetary Comparison Schedule
For the Year Ended December 31, 2024

	Budgeted Amounts (unaudited)		Actual	Difference with Final Budget
	Original	Final		
Revenues:				
Investment Earnings (Loss)	\$ -	\$ -	\$ 13,913	\$ 13,913
Total Revenues	-	-	13,913	13,913
Expenditures:				
Information Technology	25,000	25,000	14,052	10,948
General Government	-	-	119	(119)
Capital Outlay	125,000	125,000	64,944	60,056
Total Expenditures	150,000	150,000	79,115	70,885
Excess (Deficiency) of Revenues Over (Under) Expenditures	(150,000)	(150,000)	(65,202)	84,798
Other Financing Sources (Uses):				
Transfers (Out)	-	-	(580)	(580)
Total Other Financing Sources (Uses)	-	-	(580)	(580)
Net Change in Fund Balance	(150,000)	(150,000)	(65,782)	84,218
Fund Balance--Beginning	292,411	292,411	292,411	-
Fund Balance--Ending	\$ 142,411	\$ 142,411	\$ 226,629	\$ 84,218

See accompanying independent auditors' report.

City of Loveland, Colorado
Police Training Campus
Budgetary Comparison Schedule
For the Year Ended December 31, 2024

	Budgeted Amounts (unaudited)			Difference with Final Budget
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$ 650,572	\$ 610,086	\$ 579,794	\$ (30,292)
Charges for Services	59,514	100,000	138,534	38,534
Investment Earnings (Loss)	-	-	17,285	17,285
Total Revenues	710,086	710,086	735,613	25,527
Expenditures:				
Police	629,793	574,793	412,090	162,703
General Government	-	-	186	(186)
Capital Outlay	50,000	105,000	56,023	48,977
Total Expenditures	679,793	679,793	468,299	211,494
Net Change in Fund Balance	30,293	30,293	267,314	237,021
Fund Balance--Beginning	560,230	560,230	560,230	-
Fund Balance--Ending	\$ 590,523	\$ 590,523	\$ 827,544	\$ 237,021

See accompanying independent auditors' report.

City of Loveland, Colorado
Parks & Recreation Improvement
Budgetary Comparison Schedule
For the Year Ended December 31, 2024

	Budgeted Amounts (unaudited)			Difference with Final Budget
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$ 1,700	\$ 1,700	\$ -	\$ (1,700)
Charges for Services	56,652	56,652	110,104	53,452
Investment Earnings (Loss)	6,260	6,260	35,082	28,822
Miscellaneous	-	-	7,725	7,725
Total Revenues	64,612	64,612	152,911	88,299
Expenditures:				
Parks & Recreation	-	-	20,748	(20,748)
Capital Outlay	100,000	786,992	20,564	766,428
Total Expenditures	100,000	786,992	41,312	745,680
Excess (Deficiency) of Revenues Over (Under) Expenditures	(35,388)	(722,380)	111,599	833,979
Other Financing Sources (Uses):				
Transfers (Out)	(1,000)	(1,000)	-	1,000
Total Other Financing Sources (Uses)	(1,000)	(1,000)	-	1,000
Net Change in Fund Balance	(36,388)	(723,380)	111,599	834,979
Fund Balance--Beginning	904,068	904,068	904,068	-
Fund Balance--Ending	\$ 867,680	\$ 180,688	\$ 1,015,667	\$ 834,979

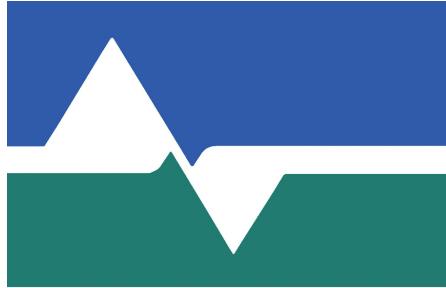
See accompanying independent auditors' report.

City of Loveland, Colorado
Perpetual Care
Budgetary Comparison Schedule
For the Year Ended December 31, 2024

	Budgeted Amounts (unaudited)			Difference with Final Budget
	Original	Final	Actual	
Revenues:				
Charges for Services	\$ 59,666	\$ 59,666	\$ 108,988	\$ 49,322
Investment Earnings (Loss)	55,006	55,006	172,944	117,938
Total Revenues	114,672	114,672	281,932	167,260
Expenditures:				
Parks & Recreation	-	-	1,612	(1,612)
Capital Outlay	-	120,000	74,675	45,325
Total Expenditures	-	120,000	76,287	43,713
Excess (Deficiency) of Revenues Over (Under) Expenditures	114,672	(5,328)	205,645	210,973
Other Financing Sources (Uses):				
Transfers (Out)	-	-	(972)	(972)
Total Other Financing Sources (Uses)	-	-	(972)	(972)
Net Change in Fund Balance	114,672	(5,328)	204,673	210,001
Fund Balance--Beginning	3,723,882	3,723,882	3,723,882	-
Fund Balance--Ending	\$ 3,838,554	\$ 3,718,554	\$ 3,928,555	\$ 210,001

See accompanying independent auditors' report.

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Proprietary Funds

ENTERPRISE FUNDS

WATER ENTERPRISE—includes all costs, operating and capital, associated with providing the City with an adequate supply of water.

WASTEWATER ENTERPRISE—includes all costs, operating and capital, associated with treating the City's wastewater and returning clean usable water to downstream users.

STORMWATER ENTERPRISE—includes all costs, operating, and capital, associated with treating the City's stormwater runoff and returning clean, usable water to downstream users. The Fund is administered by the Public Works Department to more closely align the stormwater management with street construction and maintenance.

ELECTRIC & COMMUNICATIONS—includes all costs, operating, purchased power, and capital, associated with distributing electricity and broadband to City residents and businesses.

SOLID WASTE—includes all costs, operating and capital, associated with the collection and disposal or recycling of the City's solid wastes and manages a contract for mosquito control services. The fund is administered by the Public Works Department.

GOLF—includes all costs, operating and capital, associated with running the municipal golf courses.

INTERNAL SERVICE

INTERNAL SERVICE—provides benefits and risk administration, and fleet maintenance and replacement. Funding for these funds is from the General Fund and Enterprise Funds through internal service charges.

The internal service funds are:

FLEET REPLACEMENT & MANAGEMENT—provides vehicle maintenance and replacement of the City fleet.

RISK & INSURANCE—is administered by the Human Resources Department. The City is self-insured for general liability and workers' compensation insurance, with purchased insurance for coverage over certain limits.

EMPLOYEE BENEFITS—administered by the Human Resources Department, is for management of the City's self-insured benefit program.

City of Loveland, Colorado
Water
Budgetary Comparison Schedule
For the Year Ended December 31, 2024

	Budgeted Amounts (unaudited)			Difference with Final Budget
	Original	Final	Actual	
Revenues:				
Charges for Services	\$ 25,404,140	\$ 25,404,140	\$ 24,385,983	\$ (1,018,157)
Cash in Lieu of Water Rights	1,111,968	1,111,968	2,011,283	899,315
Miscellaneous	2,204,120	4,557,680	3,485,228	(1,072,452)
Investment Earnings (Loss)	679,555	679,555	1,998,681	1,319,126
System Impact/Development Fees	5,335,204	5,335,204	4,509,373	(825,831)
Raw Water Development Fees	627,969	627,969	1,270,479	642,510
Bond Proceeds	7,000,000	7,000,000	-	(7,000,000)
Aid to Construction	3,000,000	3,000,000	-	(3,000,000)
Capital Grant Contributions	-	418,372	-	(418,372)
Total Revenues	45,362,956	48,134,888	37,661,027	(10,473,861)
Expenditures:				
Personal Services	7,976,264	7,873,526	7,629,965	243,561
Supplies	2,503,547	3,718,711	1,853,523	1,865,188
Purchased Services	8,119,265	8,527,872	7,360,003	1,167,869
Payment for Services	1,802,904	1,802,904	1,595,087	207,817
Transfers (Out)	160,839	294,779	148,074	146,705
Capital Acquisitions	35,097,647	52,951,156	-	52,951,156
Interest and debt service costs	1,784,373	1,768,811	1,376,982	391,829
Bond Expenses	4,685,357	3,985,357	2,075	3,983,282
Total Expenditures	62,130,196	80,923,116	19,965,709	60,957,407
Net Change in Fund Balance	(16,767,240)	(32,788,228)	17,695,318	50,483,546

Reconciliation to Statement of Revenues, Expenditures and

Changes in Fund Net Position:

Gain on Sale of Capital Asset	(11,120)
Contributed Assets	534,930
Depreciation	(4,623,703)
Statement Total	\$ 13,595,425

See accompanying independent auditors' report.

City of Loveland, Colorado
Waste Water
Budgetary Comparison Schedule
For the Year Ended December 31, 2024

	Budgeted Amounts (unaudited)			Difference with Final Budget
	Original	Final	Actual	
Revenues:				
Charges for Services	\$ 19,366,362	\$ 19,366,362	\$ 18,943,072	\$ (423,290)
Miscellaneous	295,166	1,682,996	96,940	(1,586,056)
Investment Earnings (Loss)	196,111	196,111	780,632	584,521
System Impact/Development Fees	3,694,183	3,694,183	2,467,484	(1,226,699)
Bond Proceeds	17,000,000	17,000,000	-	(17,000,000)
Aid to Construction	200,000	3,000,000	525,600	(2,474,400)
Capital Grant Contributions	-	-	72,163	72,163
Total Revenues	40,751,822	44,939,652	22,885,891	(22,053,761)
Expenditures:				
Personal Services	6,013,540	6,002,540	5,584,080	418,460
Supplies	1,208,182	1,218,099	718,097	500,002
Purchased Services	4,920,461	5,070,159	4,052,764	1,017,395
Payment for Services	1,355,034	1,355,034	1,230,733	124,301
Transfers (Out)	215,387	295,459	34,478	260,981
Capital Acquisitions	29,592,540	35,033,575	-	35,033,575
Interest and debt service costs	763,442	763,442	722,185	41,257
Bond Expenses	896,680	896,680	826	895,854
Total Expenditures	44,965,266	50,634,988	12,343,163	38,291,825
Net Change in Fund Balance	(4,213,444)	(5,695,336)	10,542,728	16,238,064

Reconciliation to Statement of Revenues, Expenditures and
Changes in Fund Net Position:

Gain on Sale of Capital Asset	(13,662)
Contributed Assets	305,464
Depreciation	(4,154,453)
Statement Total	\$ 6,680,077

See accompanying independent auditors' report.

City of Loveland, Colorado
Stormwater
Budgetary Comparison Schedule
For the Year Ended December 31, 2024

	Budgeted Amounts (unaudited)			Difference with Final Budget
	Original	Final	Actual	
Revenues:				
Charges for Services	\$ 11,145,240	\$ 11,145,240	\$ 11,883,154	\$ 737,914
Miscellaneous	36,000	36,000	67,172	31,172
Investment Earnings (Loss)	110,300	110,300	1,236,155	1,125,855
System Impact/Development Fees	456,650	456,650	306,064	(150,586)
Transfers In	-	-	225	225
Bond Proceeds	-	18,500,000	-	(18,500,000)
Capital Grant Contributions	775,000	3,155,807	1,209,811	(1,945,996)
Total Revenues	12,523,190	33,403,997	14,702,581	(18,701,416)
Expenditures:				
Personal Services	2,295,035	2,300,313	2,001,853	298,460
Supplies	121,200	115,922	64,232	51,690
Purchased Services	2,473,064	3,772,374	1,758,466	2,013,908
Payment for Services	577,360	577,360	611,436	(34,076)
Transfers (Out)	27,074	141,119	64,115	77,004
Capital Acquisitions	17,348,369	34,416,313	-	34,416,313
Interest and debt service costs	-	165,980	447,611	(281,631)
Bond Expenses	-	1,128,046	163,046	965,000
Total Expenditures	22,842,102	42,617,427	5,110,759	37,506,668
Net Change in Fund Balance	(10,318,912)	(9,213,430)	9,591,822	18,805,252
Reconciliation to Statement of Revenues, Expenditures and Changes in Fund Net Position:				
Gain on Sale of Capital Asset			84,870	
Contributed Assets			2,751,152	
Depreciation			(1,498,953)	
Statement Total			\$ 10,928,891	

See accompanying independent auditors' report.

City of Loveland, Colorado
Electric & Communications
Budgetary Comparison Schedule
For the Year Ended December 31, 2024

	Budgeted Amounts (unaudited)			Difference with Final Budget	
	Original	Final	Actual		
Revenues:					
Charges for Services	\$ 102,693,843	\$ 104,240,879	\$ 100,175,086	\$ (4,065,793)	
Miscellaneous	2,226,650	2,257,650	1,420,990	(836,660)	
Investment Earnings (Loss)	1,593,020	1,593,020	2,803,749	1,210,729	
System Impact/Development Fees	3,193,230	3,193,230	4,366,513	1,173,283	
Transfers In	-	1,050,000	1,047,282	(2,718)	
Aid to Construction	3,680,000	15,779,207	9,855,397	(5,923,810)	
Capital Grant Contributions	-	3,231,641	-	(3,231,641)	
Total Revenues	113,386,743	131,345,627	119,669,017	(11,676,610)	
Expenditures:					
Personal Services	19,149,246	10,453,966	11,367,701	(913,735)	
Supplies	1,429,307	1,281,728	902,167	379,561	
Purchased Services	12,133,887	12,601,752	9,723,971	2,877,781	
Purchased Power	55,825,850	55,825,850	53,896,407	1,929,443	
Payment for Services	6,996,114	6,996,114	6,388,048	608,066	
Transfers (Out)	328,040	1,398,606	1,146,350	252,256	
Capital Acquisitions	49,311,084	70,533,247	-	70,533,247	
Interest and debt service costs	3,972,904	4,642,335	3,867,301	775,034	
Bond Expenses	1,366,000	2,631,000	255,988	2,375,012	
Total Expenditures	150,512,432	166,364,598	87,547,933	78,816,665	
Net Change in Fund Balance	(37,125,689)	(35,018,971)	32,121,084	67,140,055	

Reconciliation to Statement of Revenues, Expenditures and

Changes in Fund Net Position:

Gain on Sale of Capital Asset	44,141
Contributed Assets	489,596
Depreciation	<u>(10,463,465)</u>
Statement Total	\$ 22,191,356

See accompanying independent auditors' report.

City of Loveland, Colorado
Solid Waste
Budgetary Comparison Schedule
For the Year Ended December 31, 2024

	Budgeted Amounts (unaudited)			Difference with Final Budget
	Original	Final	Actual	
Revenues:				
Charges for Services	\$ 10,966,152	\$ 10,966,152	\$ 11,755,195	\$ 789,043
Miscellaneous	(27,750)	(27,750)	(24,696)	3,054
Investment Earnings (Loss)	149,019	149,019	371,007	221,988
Capital Grant Contributions	-	-	2,636	2,636
Total Revenues	11,087,421	11,087,421	12,104,142	1,016,721
Expenditures:				
Personal Services	3,713,734	3,722,979	3,736,937	(13,958)
Supplies	910,100	920,341	285,125	635,216
Purchased Services	5,786,158	6,214,037	5,590,136	623,901
Payment for Services	658,027	658,027	735,477	(77,450)
Transfers (Out)	-	79,260	-	79,260
Capital Acquisitions	5,291,687	12,602,810	-	12,602,810
Interest and debt service costs	18,217	18,217	18,218	(1)
Total Expenditures	16,377,923	24,215,671	10,365,893	13,849,778
Net Change in Fund Balance	(5,290,502)	(13,128,250)	1,738,249	14,866,499

Reconciliation to Statement of Revenues, Expenditures and
 Changes in Fund Net Position:

Gain on Sale of Capital Asset	8,200
Contributed Assets	24,772
Depreciation	(975,613)
Statement Total	\$ 795,608

See accompanying independent auditors' report.

City of Loveland, Colorado
Golf
Budgetary Comparison Schedule
For the Year Ended December 31, 2024

	Budgeted Amounts (unaudited)			Difference with Final Budget
	Original	Final	Actual	
Revenues:				
Charges for Services	\$ 5,610,977	\$ 5,610,977	\$ 6,788,633	\$ 1,177,656
Miscellaneous	-	-	1,448	1,448
Investment Earnings (Loss)	70,876	70,876	272,251	201,375
Total Revenues	5,681,853	5,681,853	7,062,332	1,380,479
Expenditures:				
Personal Services	2,683,121	2,815,846	2,772,176	43,670
Supplies	666,820	668,602	590,182	78,420
Purchased Services	811,878	811,878	831,176	(19,298)
Transfers (Out)	-	-	21	(21)
Capital Acquisitions	966,407	5,198,490	-	5,198,490
Interest and debt service costs	150,000	209,982	14,888	195,094
Total Expenditures	5,278,226	9,704,798	4,208,443	5,496,355
Net Change in Fund Balance	403,627	(4,022,945)	2,853,889	6,876,834
Reconciliation to Statement of Revenues, Expenditures and Changes in Fund Net Position:				
Gain on Sale of Capital Asset			1,685	
Depreciation			(509,963)	
Statement Total			\$ 2,345,611	

See accompanying independent auditors' report.

City of Loveland, Colorado
Combining Statement of Net Position
Internal Service
December 31, 2024

	Fleet Replacement	Fleet Management	Risk & Insurance	Employee Benefits	Totals
ASSETS					
Current Assets:					
Equity in Pooled Cash	\$ 2,987,950	\$ 873,903	\$ 2,124,528	\$ 6,943,191	\$ 12,929,572
Equity in Pooled Investments	5,692,681	1,735,596	3,948,714	12,818,441	24,195,432
Receivables, Net	-	33,658	-	107,166	140,824
Accrued Interest	33,288	10,013	23,283	74,770	141,354
Inventory, at Cost	-	868,087	-	-	868,087
Total Current Assets	8,713,919	3,521,257	6,096,525	19,943,568	38,275,269
Noncurrent Assets:					
Interfund Loan Receivable	63,805	-	-	-	63,805
Restricted Assets:					
Equity in Pooled Restricted Cash	-	-	-	235,726	235,726
Total Restricted Assets	-	-	-	235,726	235,726
Property, Plant & Equipment:					
Land	209,516	-	-	-	209,516
Buildings	3,745,732	-	-	-	3,745,732
Lease Assets - Buildings	-	-	-	148,662	148,662
Equipment	21,667,409	365,479	-	-	22,032,888
Lease Assets - Equipment	-	198,983	-	-	198,983
Construction in Progress	2,595,070	53,870	-	-	2,648,940
Total Property, Plant & Equipment	28,217,727	618,332	-	148,662	28,984,721
Accumulated Depreciation	(15,842,550)	(300,628)	-	(74,331)	(16,217,509)
Net Property, Plant & Equipment	12,375,177	317,704	-	74,331	12,767,212
Total Non-Current Assets	12,438,982	317,704	-	310,057	13,066,743
Total Assets	21,152,901	3,838,961	6,096,525	20,253,625	51,342,012
LIABILITIES					
Current Liabilities:					
Accounts Payable	68,666	93,771	1,604,173	617,733	2,384,343
Lease Payable	-	61,179	-	82,467	143,646
Accrued Liabilities	-	90,201	36,132	1,281,894	1,408,227
Due to Other Funds	11,914	-	-	-	11,914
Compensated Absences	-	92,483	35,552	4,525	132,560
Total Current Liabilities	80,580	337,634	1,675,857	1,986,619	4,080,690
Compensated Absences	-	75,669	29,088	3,702	108,459
Total Liabilities	80,580	413,303	1,704,945	1,990,321	4,189,149
NET POSITION					
Net Investment in Capital Assets	12,375,177	256,525	-	-	12,631,702
Restricted - Health Claims & Admin	-	-	-	235,726	235,726
Unrestricted	8,697,144	3,169,133	4,391,580	18,027,578	34,285,435
Total Net Position	\$ 21,072,321	\$ 3,425,658	\$ 4,391,580	\$ 18,263,304	\$ 47,152,863

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

City of Loveland, Colorado

Statement of Revenues, Expenditures, and Changes in Fund Net Position

Internal Service

For the Year Ended December 31, 2024

	Fleet Replacement	Fleet Management	Risk & Insurance	Employee Benefits	Totals
Operating Revenues:					
Charges for Services	\$ 3,392,457	\$ 6,462,955	\$ 5,176,763	\$ 17,386,551	\$ 32,418,726
Miscellaneous	3,547	7,788	180,908	48,541	240,784
Total Operating Revenues	3,396,004	6,470,743	5,357,671	17,435,092	32,659,510
Operating Expenses:					
Personal Services	-	2,236,389	765,240	124,596	3,126,225
Supplies	-	3,044,130	4,551	52,709	3,101,390
Purchased Services	3,445	528,996	3,945,725	15,589,657	20,067,823
Depreciation	2,042,343	66,190	-	24,777	2,133,310
Total Operating Expenses	2,045,788	5,875,705	4,715,516	15,791,739	28,428,748
Net Operating Income (loss)	1,350,216	595,038	642,155	1,643,353	4,230,762
Nonoperating Revenues (Expenses):					
Investment Gain (Loss)	354,212	107,023	252,362	791,822	1,505,419
Interest and debt service costs	-	(2,608)	-	(2,870)	(5,478)
Gain (Loss) on Sale of Capital Assets	234,923	-	-	-	234,923
Total Nonoperating Revenues (Expenses)	589,135	104,415	252,362	788,952	1,734,864
Net Income (Loss) Before Transfers	1,939,351	699,453	894,517	2,432,305	5,965,626
Transfers (Out)	-	(153,704)	-	-	(153,704)
Change in Net Position	1,939,351	545,749	894,517	2,432,305	5,811,922
Total Net Position - Beginning	19,132,970	2,879,909	3,497,063	15,830,999	41,340,941
Total Net Position - Ending	\$ 21,072,321	\$ 3,425,658	\$ 4,391,580	\$ 18,263,304	\$ 47,152,863

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

City of Loveland, Colorado
Statement of Cash Flows
Internal Service
For the Year Ended December 31, 2024

	Fleet Replacement	Fleet Management	Risk & Insurance	Employee Benefits	Totals
Cash Flows from Operating Activities:					
Cash Received from Interfund Services	\$ 3,392,457	\$ 6,461,240	\$ 5,176,763	\$ 17,279,387	\$ 32,309,847
Cash Payments for Goods and Services	-	(3,779,550)	(4,266,697)	(15,813,768)	(23,860,015)
Cash Payments to Employees	-	(2,223,156)	(756,409)	(117,275)	(3,096,840)
Miscellaneous	(334,174)	7,783	180,904	48,540	(96,947)
Net Cash Provided (Used) by Operating Activities	3,058,283	466,317	334,561	1,396,884	5,256,045
Cash Flows from Non-Capital Financing Activities:					
Repayments received on Interfund Loan receivables	54,391	-	-	-	54,391
Transfers Out	-	(153,704)	-	-	(153,704)
Net Cash Provided (Used) by Non-capital Financing Activities	54,391	(153,704)	-	-	(99,313)
Cash Flows from Capital and Related Financing Activities:					
Proceeds on Sale of Capital Assets	241,472	-	-	-	241,472
Payments for Capital Acquisition	(2,839,697)	(88,791)	-	-	(2,928,488)
Payments for Finance Leases	-	(49,926)	-	(24,262)	(74,188)
Interest Paid	-	-	-	(2,870)	(2,870)
Net Cash Provided (Used) by Capital and Related Financing Activities	(2,598,225)	(138,717)	-	(27,132)	(2,764,074)
Cash Flows from Investing Activities:					
Purchase of Investments	(2,141,092)	(675,440)	(1,168,698)	(4,975,596)	(8,960,826)
Proceeds from Sale of Investments	2,410,250	731,976	1,726,460	5,384,371	10,253,057
Investment Earnings	211,407	64,525	140,980	477,255	894,167
Net Cash Flows Provided (Used) by Investing Activities	480,565	121,061	698,742	886,030	2,186,398
Net Increase (Decrease) in Cash and Cash Equivalents	995,014	294,957	1,033,303	2,255,782	4,579,056
Cash and Cash Equivalents - Jan. 1	1,992,936	578,946	1,091,225	4,923,135	8,586,242
Cash and Cash Equivalents--Dec. 31	\$ 2,987,950	\$ 873,903	\$ 2,124,528	\$ 7,178,917	\$ 13,165,298
Reconciliation of Operating Income (Loss) to Net Operating Income (Loss)					
	\$ 1,350,216	\$ 595,038	\$ 642,155	\$ 1,643,353	\$ 4,230,762
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation	2,042,343	66,190	-	24,777	2,133,310
(Increase) Decrease in Accounts Receivable	-	(1,716)	-	(107,166)	(108,882)
Increase in Inventory	-	(128,841)	-	-	(128,841)
Increase (Decrease) in Current Liabilities	(334,276)	(64,354)	(307,594)	(164,080)	(870,304)
Total Adjustments	1,708,067	(128,721)	(307,594)	(246,469)	1,025,283
Net Cash Provided (Used) by Operating Activities	\$ 3,058,283	\$ 466,317	\$ 334,561	\$ 1,396,884	\$ 5,256,045
Noncash Investing, Capital and Financing Activities:					
Unrealized Loss on Investments	131,579	39,245	103,857	289,587	564,268
Reconciliation of cash and cash equivalents to statement of net position:					
Cash and cash equivalents	2,987,950	873,903	2,124,528	6,943,191	12,929,572
Restricted Assets - cash and cash equivalents	-	-	-	235,726	235,726
	\$ 2,987,950	\$ 873,903	\$ 2,124,528	\$ 7,178,917	\$ 13,165,298

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

City of Loveland, Colorado
Fleet Replacement
Budgetary Comparison Schedule
For the Year Ended December 31, 2024

	Budgeted Amounts (unaudited)			Difference with Final Budget
	Original	Final	Actual	
Revenues:				
Charges for Services	\$ 3,666,996	\$ 3,666,996	\$ 3,392,457	\$ (274,539)
Miscellaneous	-	-	3,547	3,547
Investment Earnings (Loss)	47,033	47,033	354,212	307,179
Capital Grant Contributions	-	815,551	-	(815,551)
Total Revenues	3,714,029	4,529,580	3,750,216	(779,364)
Expenditures:				
Purchased Services	-	-	3,445	(3,445)
Transfers (Out)	-	572,204	-	572,204
Capital Acquisitions	3,947,720	6,992,593	-	6,992,593
Total Expenditures	3,947,720	7,564,797	3,445	7,561,352
Net Change in Fund Balance	(233,691)	(3,035,217)	3,746,771	6,781,988

Reconciliation to Statement of Revenues, Expenditures and
 Changes in Fund Net Position:

Gain on Sale of Capital Asset	234,923
Depreciation	(2,042,343)
Statement Total	\$ 1,939,351

See accompanying independent auditors' report.

City of Loveland, Colorado
Fleet Management
Budgetary Comparison Schedule
For the Year Ended December 31, 2024

	Budgeted Amounts (unaudited)			Difference with Final Budget
	Original	Final	Actual	
Revenues:				
Charges for Services	\$ 6,311,753	\$ 6,641,753	\$ 6,462,955	\$ (178,798)
Miscellaneous	-	-	7,788	7,788
Investment Earnings (Loss)	-	-	107,023	107,023
Total Revenues	6,311,753	6,641,753	6,577,766	(63,987)
Expenditures:				
Personal Services	2,114,303	2,114,303	2,236,389	(122,086)
Supplies	3,067,468	3,665,947	3,044,130	621,817
Purchased Services	632,891	732,818	528,996	203,822
Transfers (Out)	-	500,602	153,704	346,898
Capital Acquisitions	68,173	168,173	-	168,173
Interest and debt service costs	-	-	2,608	(2,608)
Total Expenditures	5,882,835	7,181,843	5,965,827	1,216,016
Net Change in Fund Balance	428,918	(540,090)	611,939	1,152,029
Reconciliation to Statement of Revenues, Expenditures and Changes in Fund Net Position:				
Depreciation			(66,190)	
Statement Total			\$ 545,749	

See accompanying independent auditors' report.

City of Loveland, Colorado
Risk & Insurance
Budgetary Comparison Schedule
For the Year Ended December 31, 2024

	Budgeted Amounts (unaudited)		Actual	Difference with Final Budget
	Original	Final		
Revenues:				
Charges for Services	\$ 5,159,190	\$ 5,159,190	\$ 5,176,763	\$ 17,573
Miscellaneous	-	-	180,908	180,908
Investment Earnings (Loss)	37,298	37,298	252,362	215,064
Total Revenues	5,196,488	5,196,488	5,610,033	413,545
Expenditures:				
Personal Services	773,427	773,427	765,240	8,187
Supplies	23,696	23,696	4,551	19,145
Purchased Services	3,974,197	3,974,197	3,945,725	28,472
Total Expenditures	4,771,320	4,771,320	4,715,516	55,804
Net Change in Fund Balance	425,168	425,168	894,517	469,349

Reconciliation to Statement of Revenues, Expenditures and
 Changes in Fund Net Position:

Statement Total \$ 894,517

See accompanying independent auditors' report.

City of Loveland, Colorado
Employee Benefits
Budgetary Comparison Schedule
For the Year Ended December 31, 2024

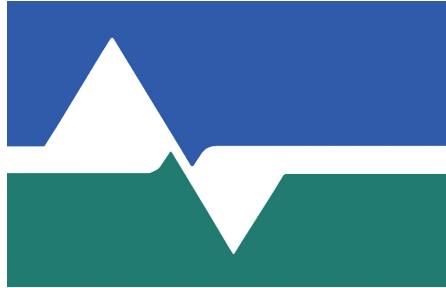
	Budgeted Amounts (unaudited)			Difference with Final Budget
	Original	Final	Actual	
Revenues:				
Charges for Services	\$ 17,853,894	\$ 17,853,894	\$ 17,386,551	\$ (467,343)
Miscellaneous	115,000	115,000	48,541	(66,459)
Investment Earnings (Loss)	143,039	143,039	791,822	648,783
Total Revenues	18,111,933	18,111,933	18,226,914	114,981
Expenditures:				
Personal Services	101,572	101,572	124,596	(23,024)
Supplies	125,000	125,000	52,709	72,291
Purchased Services	17,024,500	17,047,015	15,589,657	1,457,358
Interest and debt service costs	-	-	2,870	(2,870)
Total Expenditures	17,251,072	17,273,587	15,769,832	1,503,755
Net Change in Fund Balance	860,861	838,346	2,457,082	1,618,736

Reconciliation to Statement of Revenues, Expenditures and
 Changes in Fund Net Position:

Depreciation	(24,777)
Statement Total	<u>\$ 2,432,305</u>

See accompanying independent auditors' report.

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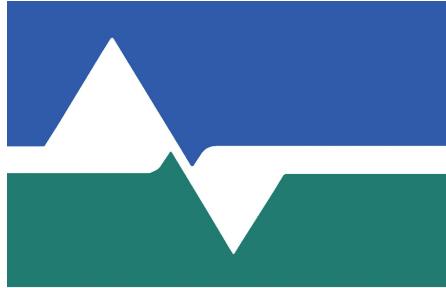
Fiduciary Fund

**LOVELAND SPECIAL IMPROVEMENT
DISTRICT #1—to account for debt service activity
of the District's special assessment bonds.**

City of Loveland, Colorado
Special Improvement District #1 (SID)
Budgetary Comparison Schedule
For the Year Ended December 31, 2024

	Budgeted Amounts (unaudited)			Difference with Final Budget
	Original	Final	Actual	
Revenues:				
Special Assessments	\$ 610,000	\$ 610,000	\$ 601,479	\$ (8,521)
Interest	5,000	5,000	17,038	12,038
Miscellaneous	-	-	1,588	1,588
Total Revenues	615,000	615,000	620,105	5,105
Expenditures:				
General Administration	10,075	10,075	5,924	4,151
Bond Principal	500,000	500,000	475,000	25,000
Bond Interest	80,000	80,000	58,208	21,792
Trustee Fees	3,000	3,000	300	2,700
Total Expenditures	593,075	593,075	539,432	53,643
Net Change in Fund Balance	21,925	21,925	80,673	58,748
Fund Balance--Beginning	324,808	324,808	324,808	-
Fund Balance--Ending	\$ 346,733	\$ 346,733	\$ 405,481	\$ 58,748

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Statistical

This section contains comprehensive statistical data for the City.

It is intended to provide a broader and more complete understanding of the City and its financial affairs than is provided by the Basic Financial Statements.

City of Loveland, Colorado Statistical Section Descriptions

Financial Trends.....	132
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity.....	142
These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	
Debt Capacity.....	145
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information.....	149
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	
Operating Information.....	151
These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to services the City provides and the activities the City performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

Schedule 1
City of Loveland, Colorado
Net Position by Component
(accrual basis of accounting)

	2015	2016	2017	2018	2019
Governmental Activities					
Net Investment in Capital Assets	\$ 334,471,486	\$ 349,269,785	\$ 370,968,085	\$ 375,178,255	\$ 407,352,447
Restricted	23,991,063	19,889,376	42,204,301	40,657,508	35,401,193
Unrestricted	89,140,975	109,138,773	85,659,674	92,826,599	93,934,510
Total Governmental Activities Net Position	447,603,524	478,297,934	498,832,060	508,662,362	536,688,150
Business-Type Activities					
Net Investment in Capital Assets	412,250,813	439,794,339	463,351,560	487,093,974	512,801,745
Future Capital Improvements	38,346,067	38,620,559	44,650,171	53,143,019	49,882,904
Unrestricted	50,999,539	50,990,044	48,112,329	44,467,491	53,747,205
Total Business-Type Activities Net Position	501,596,419	529,404,942	556,114,060	584,704,484	616,431,854
Primary government					
Net Investment In Capital Assets	746,722,299	789,064,124	834,319,645	862,272,229	920,154,192
Restricted	62,337,130	58,509,935	86,854,472	93,800,527	85,284,097
Unrestricted	140,140,514	160,128,817	133,772,003	137,294,090	147,681,715
Total Primary Government Net Position	\$ 949,199,943	\$ 1,007,702,876	\$ 1,054,946,120	\$ 1,093,366,846	\$ 1,153,120,004

	2020	2021	2022	2023	2024
\$	442,641,192	461,306,590	477,176,229	498,833,003	533,874,572
37,872,003	47,053,799	54,285,713	51,904,498	55,593,413	
93,096,876	117,255,519	129,992,428	148,457,652	155,041,764	
573,610,071	625,615,908	661,454,370	699,195,153	744,509,749	
540,618,535	568,110,085	592,286,050	641,781,131	674,835,319	
55,601,577	49,936,494	60,577,669	67,636,791	75,478,154	
55,842,929	61,992,221	67,328,788	62,066,287	77,707,704	
652,063,041	680,038,800	720,192,507	771,484,209	828,021,177	
983,259,727	1,029,416,675	1,069,462,279	1,140,614,134	1,208,709,891	
93,473,580	96,990,293	114,863,382	119,541,289	131,071,567	
148,939,805	179,247,740	197,321,216	210,523,939	232,749,468	
\$ 1,225,673,112	\$ 1,305,654,708	\$ 1,381,646,877	\$ 1,470,679,362	\$ 1,572,530,926	

Schedule 2
City of Loveland, Colorado
Changes in Net Position
 (accrual basis of accounting)

	2015	2016	2017	2018
Expenses				
Governmental Activities:				
Legislative	\$ 157,812	\$ 151,146	\$ 159,913	\$ 187,723
Executive	2,134,424	2,199,258	4,216,699	3,376,411
City Manager	-	-	-	-
City Attorney	-	-	-	-
City Clerk	-	-	-	-
Municipal Court	-	-	-	-
Finance	1,731,226	1,846,402	1,295,259	1,256,557
Human Resources	249,177	358,285	420,729	424,206
Information Technology	925,018	983,766	556,131	1,831,164
Economic Development	5,416,693	4,046,522	3,090,713	2,551,997
Development Services	7,303,464	7,391,751	6,509,167	6,737,725
Public Works	19,659,340	22,454,121	23,931,894	31,567,513
Police	20,122,411	21,508,676	24,783,280	27,082,050
Fire and Rescue	13,127,952	13,968,518	16,365,941	22,272,980
Parks & Recreation	13,433,473	14,149,386	14,103,788	16,364,686
Library	3,513,276	3,598,465	4,123,625	4,272,659
Cultural Services	2,375,343	2,522,341	2,600,450	2,942,481
General Government	24,936,240	24,003,139	24,815,615	23,571,072
Interest on Long-Term Debt	-	-	-	-
Total Governmental Activities Expense	115,085,849	119,181,776	126,973,204	144,439,224
Business-Type Activities:				
Water	14,993,052	15,666,363	16,075,296	16,308,692
Wastewater	9,004,724	9,078,498	9,679,668	11,304,051
Stormwater	4,218,805	4,342,427	5,850,696	4,927,823
Electric & Communications	56,935,935	58,211,434	64,494,714	64,180,716
Solid Waste	5,956,930	6,453,721	6,714,450	7,243,803
Golf	3,757,673	4,558,219	3,872,895	3,669,380
Total Business-Type Activities Expenses	94,867,119	98,310,662	106,687,719	107,634,465
Total Primary Government Expenses	209,952,968	217,492,438	233,660,923	252,073,689
Program Revenues				
Governmental Activities:				
Charges for services:				
Executive	1,093,954	944,041	1,041,189	1,665,482
City Manager	-	-	-	-
City Attorney	-	-	-	-
City Clerk	-	-	-	-
Municipal Court	-	-	-	-
Finance	213,550	206,081	264,016	243,877
Human Resources	-	-	-	-
Information Technology	-	-	-	-
Economic Development	80,205	94,072	611,278	156,092
Development Services	2,742,511	3,058,494	2,567,529	2,768,763
Public Works	5,272,211	5,803,971	6,506,628	19,218,892
Police	1,124,858	1,263,912	1,444,770	696,939
Fire and Rescue	365,378	582,014	4,839,718	7,418,801
Parks & Recreation	4,326,854	5,131,937	4,757,024	4,834,484
Library	93,226	92,278	72,431	95,501
Cultural Services	366,894	418,057	431,274	470,431
General Government	6,430,198	7,054,713	7,934,902	77,655
Operating grants and contributions	18,170,851	18,282,481	22,130,784	21,457,236
Capital grants and contributions	12,390,432	21,755,995	13,680,064	7,045,733
Total Governmental Activities Revenues	\$ 52,671,122	\$ 64,688,046	\$ 66,281,607	\$ 66,149,886

Source: City of Loveland Financial Statements

	2019	2020	2021	2022	2023	2024
\$	144,975	142,847	150,963	204,159	187,949	369,345
	5,380,650	-	-	-	-	-
	-	5,027,941	3,121,875	4,647,058	5,597,646	5,518,390
	-	1,282,582	1,283,365	1,576,442	1,864,301	2,684,485
	-	737,749	592,360	722,062	896,384	839,902
	-	680,160	700,112	770,627	802,183	1,042,196
	5,388,175	5,822,026	6,075,509	6,836,546	7,481,127	6,561,817
	1,638,690	1,432,526	1,462,259	1,842,468	1,833,275	2,040,921
	6,401,536	6,892,385	5,953,913	7,478,684	6,029,139	6,280,946
	2,597,640	2,914,656	2,065,899	2,809,222	3,195,919	3,157,794
	3,981,403	5,701,230	5,590,896	5,886,993	6,232,895	6,210,419
	27,180,708	30,043,177	31,960,206	34,186,621	35,287,336	37,582,778
	25,312,191	25,999,756	34,907,689	28,705,018	36,815,324	35,746,417
	18,193,823	19,287,233	33,800,088	25,025,382	28,489,609	30,524,248
	12,040,970	13,456,687	12,691,587	16,953,694	17,600,926	18,326,199
	3,385,385	2,920,546	3,504,378	3,767,653	4,089,707	4,488,361
	2,089,675	3,731,823	2,363,832	2,969,843	2,791,485	2,889,771
	16,784,988	19,008,838	30,301,034	27,756,133	28,578,929	27,751,644
	-	781,283	971,660	943,227	1,108,672	1,027,079
	130,520,809	145,863,445	177,497,625	173,081,832	188,882,806	193,042,712
	15,666,095	17,668,199	18,914,717	22,850,592	21,234,148	24,441,338
	13,085,842	13,747,570	14,014,978	14,949,490	15,379,506	16,463,138
	5,055,877	5,689,635	6,530,754	5,219,200	5,825,855	6,545,597
	68,751,131	71,180,474	76,955,901	83,313,318	88,171,791	96,865,048
	7,743,425	7,774,032	8,490,265	9,289,271	10,636,242	11,341,506
	3,557,875	3,526,340	3,921,240	4,194,191	4,395,317	4,718,385
	113,860,245	119,586,250	128,827,855	139,816,062	145,642,859	160,375,012
	244,381,054	265,449,695	306,325,480	312,897,894	334,525,665	353,417,724
	1,816,728	-	-	-	-	-
	-	90,971	213,974	655,385	153,014	66,972
	-	54,551	26,982	28,038	11,560	48,000
	-	65,840	87,566	88,426	81,994	82,794
	-	1,054,434	831,211	539,417	574,490	646,169
	226,958	208,229	251,738	281,394	212,759	195,816
	-	1,465	695	695	-	-
	-	258,325	179,946	238,850	-	-
	233,795	1,343,115	-	333,019	278,920	317,527
	2,141,143	3,273,085	4,882,160	7,719,754	4,458,195	4,653,597
	18,093,078	22,514,463	19,368,504	21,543,621	23,459,649	19,815,227
	2,967,706	6,538,486	1,898,764	1,717,568	1,992,405	2,902,204
	3,769,092	2,896,385	15,628,034	3,483,085	4,841,333	5,400,251
	5,504,094	3,294,031	4,367,279	6,025,762	10,596,562	11,453,603
	50,342	139,437	90,818	139,074	561,866	640,011
	616,260	230,858	362,960	934,660	1,129,935	1,164,499
	49,046	3,843,246	4,731,782	1,424,219	1,028,788	1,121,523
	23,138,462	23,365,634	23,816,808	25,771,719	36,987,125	48,609,201
	4,214,800	17,076,354	46,194,664	24,216,319	19,511,232	18,713,101
	\$ 62,821,504	\$ 86,248,909	\$ 122,933,885	\$ 95,141,005	\$ 105,879,827	\$ 115,830,495

Schedule 2
City of Loveland, Colorado
Changes in Net Position (Continued)
(accrual basis of accounting)

	2015	2016	2017	2018
Business-type Activities				
Charges for services				
Water	\$ 13,252,667	\$ 15,298,606	\$ 16,756,753	\$ 18,689,859
Wastewater	9,523,580	10,812,210	11,937,729	13,053,629
Stormwater	5,113,905	5,785,926	6,483,986	7,000,161
Electric & Communications	57,513,426	60,070,432	63,851,915	66,770,400
Solid Waste	6,506,747	6,823,296	7,053,445	8,074,467
Golf	3,734,006	3,796,133	3,825,009	3,821,241
Capital grants and contributions	16,712,187	22,466,304	17,720,613	18,763,653
Operating grants and contributions	288,683	211,522	275,738	333,552
Total Business-Type Activities Revenues	112,645,201	125,264,429	127,905,188	136,506,962
Total Primary-Government Revenues	165,316,323	189,952,475	194,186,795	202,656,848
Net (Expense) Revenue				
Governmental Activities	(62,414,727)	(54,493,730)	(60,691,596)	(78,289,338)
Business-Type Activities	17,778,082	26,953,767	21,217,468	28,872,497
Total Primary Government Net (Expense)/Revenues	(44,636,645)	(27,539,963)	(39,474,128)	(49,416,841)
General Revenues & Other Changes in Net Position				
Governmental Activities				
Taxes				
Property Taxes	18,546,909	20,904,830	21,680,942	23,899,977
Sales and Use Taxes	48,751,148	50,527,501	54,481,516	57,372,198
Franchise Taxes	1,864,925	1,800,051	2,018,640	1,860,176
Other Taxes	1,415,285	1,210,092	2,198,110	1,940,748
Investment Earnings	1,265,529	589,669	1,373,292	1,599,707
Gain on Sale of Assets	569,139	170,947	31,522	102,157
Transfers	(824,365)	(308,505)	(558,300)	1,344,677
Total Governmental Activities	71,588,570	74,894,585	81,225,722	88,119,640
Business-Type Activities				
Investment Earnings	994,979	546,251	1,005,237	1,359,120
Gain on Sale of Assets	-	-	-	(296,516)
Transfers	824,365	308,505	558,300	(1,344,677)
Total Business-Type Activities	1,819,344	854,756	1,563,537	(282,073)
Total Primary Government	73,407,914	75,749,341	82,789,259	87,837,567
Change in Net Position				
Governmental Activities	9,173,843	20,400,855	20,534,126	9,830,302
Business-Type Activities	19,597,426	27,808,523	22,781,005	28,590,424
Total Primary Government	\$ 28,771,269	\$ 48,209,378	\$ 43,315,131	\$ 38,420,726

Source: City of Loveland Financial Statements

	2019	2020	2021	2022	2023	2024
\$	18,643,554	22,127,504	23,539,395	25,979,178	23,550,016	27,669,242
13,699,495	14,929,933	16,221,277	17,280,370	17,664,035	19,005,571	
7,625,978	8,099,802	8,326,803	9,367,948	11,361,147	11,950,068	
68,929,460	70,863,380	77,780,985	84,254,109	89,740,678	101,371,692	
8,620,149	8,783,551	9,626,951	10,216,241	10,863,634	11,730,499	
3,860,142	4,387,012	5,297,111	5,251,634	6,165,144	6,790,081	
25,349,844	24,821,451	19,014,070	33,106,233	31,050,807	29,359,195	
352,474	319,345	273,259	222,226	1,531,595	1,804,575	
147,081,096	154,331,978	160,079,851	185,677,939	191,927,056	209,680,923	
209,902,600	240,580,887	283,013,736	308,611,824	286,752,685	304,506,552	
(67,699,305)	(59,614,536)	(54,563,740)	(77,941,522)	(83,002,979)	(77,212,217)	
33,220,851	34,745,728	31,251,996	45,861,877	46,284,197	49,305,911	
(34,478,454)	(24,868,808)	(23,311,744)	(32,079,645)	(36,718,782)	(27,906,306)	
26,678,420	29,121,824	30,849,766	32,611,983	33,721,985	38,255,498	
59,077,014	59,647,002	68,632,108	84,226,885	74,862,546	73,140,822	
1,837,808	1,669,956	1,720,272	2,180,021	2,067,610	1,621,742	
2,170,466	1,746,201	1,824,083	2,183,109	1,317,532	1,303,508	
3,193,518	1,343,775	226,628	(5,710,647)	7,719,307	7,723,253	
153,803	221,161	1,115,795	102,157	622,204	136,458	
2,614,064	2,786,538	2,200,925	452,734	432,578	345,532	
95,725,093	96,536,457	106,569,577	116,046,242	120,743,762	122,526,813	
5,273,004	3,431,421	(1,310,212)	(5,465,459)	5,412,072	7,462,475	
(1,652,421)	240,576	234,900	210,023	28,011	114,114	
(2,614,064)	(2,786,538)	(2,200,925)	(452,734)	(432,578)	(345,532)	
1,006,519	885,459	(3,276,237)	(5,708,170)	5,007,505	7,231,057	
96,731,612	97,421,916	103,293,340	110,338,072	125,751,267	129,757,870	
28,025,788	36,921,921	52,005,837	38,104,720	37,740,783	45,314,596	
34,227,370	35,631,187	27,975,759	40,153,707	51,291,702	56,536,968	
\$ 62,253,158	\$ 72,553,108	\$ 79,981,596	\$ 78,258,427	\$ 89,032,485	\$ 101,851,564	

Schedule 3
City of Loveland, Colorado
Fund Balances - Governmental Funds
Last Ten Fiscal Years

	2015	2016	2017	2018
General Fund				
Nonspendable	\$ 55,603	\$ 51,685	\$ 47,650	\$ 43,493
Restricted	2,317,041	2,906,882	25,715,544	11,988,505
Committed	24,784,252	19,097,578	2,494,422	5,597,274
Assigned	1,385,845	1,155,031	-	-
Unassigned	17,902,106	21,741,419	10,591,362	14,720,142
Total General Fund	\$ 46,444,847	\$ 44,952,595	\$ 38,848,978	\$ 32,349,414
All Other Governmental Funds				
Nonspendable				
Capital Expansion Fees	-	-	-	-
Transportation	-	-	-	512,180
Other Governmental Funds	997,132	1,033,093	1,114,935	1,157,959
Restricted				
Loveland Urban Renewal Authority	735,192	972,722	1,018,896	296,164
Loveland Fire Rescue Authority	17,397	101,176	2,090,853	8,457,297
Capital Projects	-	-	-	993,921
Other Governmental Funds	17,545,105	14,823,817	12,216,423	14,561,785
Committed				
Transportation	-	-	-	-
Capital Expansion Fees	33,331,085	37,127,980	41,159,739	36,822,062
Other Governmental Funds	485,775	515,297	717,238	1,369,078
Assigned				
Capital Projects	1,058,324	2,331,869	9,801,816	1,250,612
Other Governmental Funds	3,934,819	3,796,447	3,981,477	4,110,607
Unassigned				
Transportation	-	-	-	(512,180)
Capital Projects	-	-	-	-
Other Governmental Funds	-	-	-	-
Total All Other Governmental Funds	58,104,829	60,702,401	72,101,377	69,019,485
Total Governmental Funds	\$ 104,549,676	\$ 105,654,996	\$ 110,950,355	\$ 101,368,899

Source: City of Loveland Financial Statements

NOTE: 2020 and 2021 General Fund Unassigned Fund Balance Restated for error corrections

2019	2020	2021	2022	2023	2024
\$ 39,212	\$ 34,802	\$ 30,261	\$ 80,740	\$ 20,922	\$ 27,044
8,185,477	4,883,384	6,395,429	11,894,582	5,583,159	5,215,361
566,558	812,088	825,050	1,151,752	1,222,069	1,290,685
-	-	-	-	-	-
19,268,245	27,284,135	38,355,080	50,036,129	55,616,388	36,244,450
\$ 28,059,492	\$ 33,014,409	\$ 45,605,820	\$ 63,163,203	\$ 62,442,538	\$ 42,777,540

-	-	-	-	-	-
350,670	532,779	442,351	322,397	290,740	589,095
3,306,565	3,503,234	3,579,557	3,506,846	3,761,947	3,967,588
-	-	-	-	-	-
647,652	1,454,625	3,489,306	3,936,340	4,773,686	2,854,733
6,825,362	7,406,621	14,780,713	11,192,761	12,251,009	16,099,893
-	-	-	-	-	-
15,822,662	18,061,112	18,376,703	19,291,876	21,433,994	21,127,638
-	-	-	-	-	-
33,033,106	32,110,116	42,163,277	47,970,182	54,913,745	50,315,169
1,535,910	1,157,210	1,686,667	1,587,306	1,767,331	2,362,932
-	-	-	-	-	-
1,514,211	-	-	-	-	-
1,983,210	1,456,914	1,320,861	1,142,652	1,196,479	790,369
(350,670)	(532,779)	(442,351)	(322,397)	(678,414)	-
-	(1,439,858)	(1,150,884)	(1,274,153)	(771,218)	(506,272)
-	-	-	-	-	(66,955)
64,668,678	63,709,974	84,246,200	87,353,810	98,939,299	116,088,238
\$ 92,728,170	\$ 96,724,383	\$ 129,852,020	\$ 150,517,013	\$ 161,381,837	\$ 158,865,778

Schedule 4
City of Loveland, Colorado
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years

	2015	2016	2017	2018
Revenues				
Taxes	\$ 70,117,336	\$ 74,220,077	\$ 80,233,216	\$ 83,406,784
Licenses and Permits	3,076,189	3,310,912	3,126,114	3,341,235
Fines and Penalties	1,123,670	929,370	972,875	1,263,732
Intergovernmental	22,760,809	24,233,341	25,242,347	27,533,890
Charges for Services	15,535,481	16,607,925	15,222,967	16,914,492
Investment Earnings	1,265,530	589,670	1,373,293	1,599,707
Payment in Lieu of Taxes	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	8,219,150	9,494,166	12,057,015	12,193,909
Total Revenues	122,098,165	129,385,461	138,227,827	146,253,749
Expenditures				
Current				
Legislative	157,812	151,146	159,913	187,723
Executive	2,122,554	2,211,243	4,036,220	3,322,807
City Manager	-	-	-	-
City Attorney	-	-	-	-
City Clerk	-	-	-	-
Municipal Court	-	-	-	-
Finance	1,683,036	1,819,888	1,282,258	1,221,190
Human Resources	240,311	355,772	445,725	385,130
Information Technology	639,513	689,898	316,523	1,536,654
Economic Development	5,413,443	3,387,769	3,017,793	2,500,959
Development Services	4,516,499	4,412,253	3,623,654	3,811,987
Public Works	13,202,521	15,141,677	17,706,618	24,291,235
Police	19,602,485	20,860,058	24,258,829	26,252,517
Fire and Rescue	11,929,102	13,150,622	15,320,180	16,656,580
Parks & Recreation	11,181,335	11,121,873	11,563,778	13,223,723
Library	3,165,964	3,271,662	3,762,506	3,918,838
Cultural Services	2,086,915	2,230,327	2,540,385	2,727,844
General Government	21,035,844	22,972,699	26,689,263	28,239,484
Capital Outlay	18,489,108	21,079,771	33,036,629	31,906,516
Debt Service				
Principal	-	-		274,903
Interest	-	-	468,894	823,992
Total Expenditures	115,466,442	122,856,658	148,229,168	161,282,082
Excess (Deficiency) of				
Revenues Over (Under) Expenditures	6,631,723	6,528,803	(10,001,341)	(15,028,333)
Other Financing Sources (Uses)				
Transfers In	14,559,142	15,877,819	36,008,348	28,794,567
Transfers (Out)	(15,993,509)	(21,301,301)	(36,611,649)	(27,756,890)
Debt Issued	-	-	15,900,000	4,409,200
Insurance Recoveries	195	-	-	-
Total Other Financing Sources (Uses)	(1,434,172)	(5,423,482)	15,296,699	5,446,877
Net Change in Fund Balance	\$ 5,197,551	\$ 1,105,321	\$ 5,295,358	\$ (9,581,456)
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.04%	0.85%

Source: City of Loveland Financial Statements

NOTE: 2020 & 2021 Miscellaneous Revenue and 2021 Cultural Services expenditures changed due to error corrections

	2019	2020	2021	2022	2023	2024
\$	88,501,636	\$ 91,338,747	\$ 102,493,932	\$ 119,252,026	\$ 111,969,673	\$ 114,321,570
2,567,487	3,902,767	6,846,962	8,298,760	5,000,369	5,687,239	
1,203,527	1,003,433	837,820	538,242	578,234	642,298	
28,535,074	32,886,093	36,801,684	34,391,374	41,310,971	47,178,852	
15,759,460	18,360,470	21,488,758	26,311,400	23,257,426	24,966,121	
3,193,518	1,343,775	226,628	(5,710,647)	7,719,307	7,723,253	
-	8,132,827	8,790,101	9,160,116	9,484,927	10,560,780	
-	5,865,552	23,748	618,698	(32,934)	-	
15,005,029	5,750,216	4,114,034	4,346,703	5,701,551	5,318,501	
154,765,731	168,583,880	181,623,667	197,206,672	204,989,524	216,398,614	
144,975	142,847	150,963	204,159	187,949	369,345	
5,456,462	-	-	-	-	-	
-	4,990,757	3,101,095	4,652,876	5,490,997	5,604,057	
-	1,243,257	1,295,583	1,557,165	1,846,549	2,737,810	
-	740,762	584,936	715,187	891,116	853,153	
-	676,200	700,449	766,259	797,575	1,051,230	
5,470,110	5,704,161	6,128,394	6,796,023	7,451,592	6,608,187	
1,701,545	1,430,180	1,458,268	1,839,490	1,837,989	2,022,363	
6,288,049	6,554,490	5,643,385	6,751,684	5,127,968	5,304,351	
2,573,507	2,900,642	1,998,527	2,802,163	3,187,237	3,183,362	
2,886,029	2,802,537	2,771,733	3,035,377	3,411,951	3,484,568	
26,385,684	21,196,097	22,309,515	23,842,215	25,421,413	26,165,897	
25,391,129	25,170,853	24,398,939	27,694,607	35,631,710	34,528,774	
17,919,633	18,427,368	21,302,646	23,742,541	26,734,848	28,571,463	
11,183,651	10,303,173	10,658,793	12,341,203	13,842,447	14,558,058	
3,252,119	2,855,153	2,947,392	3,184,078	3,472,520	3,893,545	
2,160,288	1,848,099	2,173,981	2,638,208	2,476,281	2,576,862	
23,454,914	25,399,372	30,133,182	29,367,351	31,272,158	33,437,958	
33,060,864	39,644,903	21,927,005	24,761,678	27,858,843	41,849,612	
232,449	901,476	4,031,054	1,360,413	1,454,472	1,555,111	
805,920	784,283	971,210	974,351	1,108,672	1,058,203	
168,367,328	173,716,610	164,687,050	179,027,028	199,504,287	219,413,909	
(13,601,597)	(5,132,730)	16,936,617	18,179,644	5,485,237	(3,015,295)	
31,368,083	35,839,740	19,160,932	15,279,541	20,186,930	47,911,080	
(26,407,215)	(26,710,797)	(16,514,849)	(14,479,824)	(19,719,792)	(47,411,844)	
-	-	13,544,937	1,685,632	4,912,449	-	
-	-	-	-	-	-	
4,960,868	9,128,943	16,191,020	2,485,349	5,379,587	499,236	
\$ (8,640,729)	\$ 3,996,213	\$ 33,127,637	\$ 20,664,993	\$ 10,864,824	\$ (2,516,059)	
0.77%	1.26%	3.51%	1.51%	1.49%	1.47%	

Schedule 5
City of Loveland, Colorado
Taxable Sales by Category
Last Ten Fiscal Years

	2015	2016	2017	2018
Restaurants & Bars	\$ 206,674,358	\$ 211,408,110	\$ 220,605,183	\$ 232,407,146
Department Stores & General Merchandise	270,693,274	264,384,639	265,609,205	280,312,063
Motor Vehicle Dealers, Auto Parts & Leasing	116,334,884	123,159,183	135,160,541	140,963,620
Electronic Shopping & Mail-Order Houses	19,914,730	21,210,574	40,735,145	50,647,172
Building Materials, Lawn & Garden Supplies	110,932,445	120,164,180	126,548,513	130,413,298
Utilities	64,709,874	64,911,876	68,015,461	72,404,726
Used Merchandise Stores	55,602,910	55,576,353	60,689,744	61,665,848
Grocery Stores & Specialty Foods	142,555,626	155,842,903	167,949,122	158,424,696
Clothing & Clothing Accessories Stores	136,790,016	128,678,615	123,988,123	119,278,467
Consumer Goods & Commercial Equipment Rental	32,627,335	35,674,860	39,782,395	44,573,117
Hotels, Motels & Other Accommodations	34,947,731	35,576,429	35,964,857	37,776,265
Sporting Goods, Hobby, Book & Music Stores	69,652,955	70,118,603	67,073,041	59,177,505
Electronics & Appliance Stores	29,156,779	32,363,432	34,357,053	35,936,636
Beer, Wine & Liquor Stores	35,144,018	37,378,773	39,021,329	38,449,194
Health & Personal Care Stores	25,738,812	25,362,219	24,950,613	24,642,318
Broadcasting & Telecommunications	45,335,493	39,859,130	37,607,236	34,838,716
Furniture & Home Furnishing Stores	23,029,403	23,765,980	24,961,249	22,090,985
Gasoline Stations with Convenience Stores	14,872,703	15,149,542	15,435,763	16,466,845
Office Supplies, Stationery & Gift Stores	12,061,466	9,599,761	8,016,689	10,376,476
All Other Categories	45,911,423	53,390,700	58,821,431	59,624,192
	\$ 1,492,686,235	\$ 1,523,575,862	\$ 1,595,292,693	\$ 1,630,469,285

Note: As a Home Rule City, the City of Loveland started collecting sales tax in 1999. Beginning in 2006 the City began collecting Sales Tax based on a mixed rate: 3.0% for most businesses in Loveland and 1.75% for businesses in the Centerra Metro District. The other 1.25% is retained in the district for public improvements in the district that benefits Loveland. Calculations prior to 2010 were based upon the standard Summary by Industry Code (SIC) reports multiplied by the tax rate of 3.0% and do not reflect the mixed rate differential.

Source: City of Loveland Revenue Division

	2019	2020	2021	2022	2023	2024
\$	238,987,880	\$ 202,326,833	\$ 238,074,845	\$ 277,578,526	\$ 288,565,670	\$ 301,534,802
286,929,211	294,881,782	317,428,259	326,857,321	350,861,879	229,266,830	
151,870,172	153,298,019	183,983,823	190,000,311	198,958,083	206,033,718	
62,055,246	79,564,095	89,749,812	121,930,032	124,713,212	197,445,415	
139,493,874	164,591,606	165,939,676	197,590,262	195,579,961	192,198,259	
76,500,623	74,685,815	83,380,551	93,226,023	104,285,837	100,296,851	
64,653,055	61,865,587	75,311,160	83,710,259	96,146,668	97,525,566	
198,525,897	197,191,418	196,410,035	204,807,650	212,307,412	75,672,058	
101,732,469	69,251,659	87,690,040	77,213,508	69,971,173	74,538,246	
46,715,288	43,062,942	49,112,779	51,093,699	51,677,204	71,802,408	
41,025,271	21,580,216	31,598,031	45,832,723	53,488,693	56,283,914	
55,521,130	52,813,645	64,700,621	59,857,054	55,773,356	53,698,219	
40,876,629	37,934,351	44,458,171	45,203,488	43,460,000	39,879,931	
33,937,477	37,270,346	35,780,673	34,868,934	31,454,654	29,156,496	
26,693,289	28,979,368	34,072,346	36,299,748	33,196,429	32,737,107	
30,987,036	28,766,053	26,173,040	26,059,751	23,916,156	22,340,631	
22,833,594	13,110,769	24,260,464	25,744,436	19,947,972	18,034,444	
19,198,877	20,833,909	24,155,019	27,538,957	30,087,391	26,174,882	
8,333,256	9,424,348	7,586,446	7,887,035	6,810,089	6,699,380	
92,211,871	95,991,984	108,395,289	144,785,670	171,257,420	205,840,857	
\$ 1,739,082,145	\$ 1,687,424,745	\$ 1,888,261,080	\$ 2,078,085,387	\$ 2,162,459,259	\$ 2,037,160,014	

Schedule 6
City of Loveland, Colorado
Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years

	State	County	City	Centerra Metro District
2015	2.90%	0.65%	3.00%	1.75%
2016	2.90%	0.65%	3.00%	1.75%
2017	2.90%	0.65%	3.00%	1.75%
2018	2.90%	0.55%	3.00%	1.75%
2019	2.90%	0.80%	3.00%	1.75%
2020	2.90%	0.80%	3.00%	1.75%
2021	2.90%	0.80%	3.00%	1.75%
2022	2.90%	0.80%	3.00%	1.75%
2023	2.90%	0.80%	3.00%	1.75%
2024	2.90%	0.80%	3.00%	1.75%

Source: City of Loveland Revenue Division

Schedule 7
City of Loveland, Colorado
Principal Sales Tax Remitters
Current Year and Ten Years Ago

Tax Remitter by Category	Fiscal Year 2015				Fiscal Year 2024			
	\$	Tax Liability	Rank	Percentage of Total Tax Collected	\$	Tax Liability	Rank	Percentage of Total Tax Collected
				13.43%				14.55%
Restaurants & Bars	\$ 5,474,604	2		13.43%	\$ 8,410,538	1		14.55%
Department Stores & General Merchandise	7,833,042	1		19.22%	6,678,060	2		11.56%
Electronic Shopping & Mail-Order Houses					5,959,214	3		10.31%
Building Material & Lawn & Garden Supplies	3,312,244	4		8.13%	5,772,734	4		9.99%
Motor Vehicle Dealers, Auto Parts & Leasing	3,085,772	5		7.57%	5,550,995	5		9.61%
Utilities	1,936,738	6		4.75%	3,008,412	6		5.21%
Misc. Retail including Used Merchandise Stores	1,448,328	9		3.55%	2,793,264	7		4.83%
Grocery Stores & Specialty Foods	4,255,460	3		10.44%	2,252,430	8		3.90%
Consumer Goods & Commercial Equipment Rental					2,136,408	9		3.70%
Hotels, Motels, & Other Accommodations					1,570,338	10		2.72%
Sporting Goods, Hobby, Book & Music Stores	1,737,948	8		4.26%				
Clothing & Clothing Accessories Stores	2,903,008	7		7.12%				
Broadcasting & Telecommunications	1,310,172	10		3.21%				
Total (Top Ten Principal Remitters only)	\$ 33,297,316			81.69%	\$ 44,132,393			76.37%
Total Sales Tax Collected	\$ 40,761,528				\$ 57,788,003			

Note: As a Home Rule City, the City of Loveland started collecting sales tax in 1999.

Source: City of Loveland Sales Tax

Schedule 8

City of Loveland, Colorado

Ratio of Outstanding Debt by Type

Last Ten Fiscal Years

Governmental Activities

Fiscal Year	Leases	Certificates of Participation	Oversizing Agreements	IGA for Apparatus	Financing Agreements	Loan Agreement
2015	-	-	3,727,893	-	-	-
2016	-	-	3,584,914	-	-	-
2017	-	15,900,000	2,808,389	-	-	-
2018	4,134,297	15,900,000	2,161,206	-	-	-
2019	3,901,848	15,900,000	1,554,023	961,811	-	-
2020	3,661,054	15,540,000	1,180,149	811,811	-	-
2021	-	15,170,000	911,443	-	12,544,937	1,000,000
2022	1,935,254	14,790,000	759,475	-	11,910,376	1,000,000
2023	6,278,087	14,390,000	708,204	-	11,313,893	1,000,000
2024	5,730,076	13,985,000	708,204	-	10,676,254	913,634

Business-Type Activities

Fiscal Year	Oversizing Agreements	Water and Wastewater Bonds¹	Electric & Communication Bonds¹	Stormwater Bonds¹	Financing Agreements	Leases
2015	10,678	10,206,594	-	-	-	-
2016	10,678	13,200,000	-	-	-	-
2017	-	13,150,000	-	-	-	-
2018	48,652	36,880,000	-	-	-	-
2019	109,591	35,575,000	95,142,885	-	-	-
2020	118,274	34,225,000	94,737,770	-	-	-
2021	143,691	85,399,814	94,298,895	-	-	-
2022	328,545	79,556,516	93,893,780	-	-	1,348,978
2023	454,213	76,813,218	92,238,665	-	484,144	1,105,536
2024	171,658	73,969,920	114,455,477	17,672,720	355,075	3,427,346

Fiscal Year	Total Primary Government	Percentage of Personal Income	Per Capita
2015	13,945,165	0.43%	187.6
2016	16,795,592	0.50%	225.7
2017	31,858,389	0.89%	421.1
2018	59,124,155	1.54%	779.6
2019	153,145,158	3.66%	1,982.9
2020	150,274,058	3.49%	1,952.3
2021	209,468,780	4.83%	2,742.5
2022	205,522,924	3.58%	2,644.8
2023	204,785,960	3.00%	2,453.0
2024	242,065,364	3.47%	2,864.0

¹ Includes Bond Premium

Source:^a See Schedule 12 Demographic and Economic Statistics for personal income and population data.

City of Loveland, Colorado**Schedule 9****Direct and Overlapping Governmental Activities Debt****As of December 31, 2024**

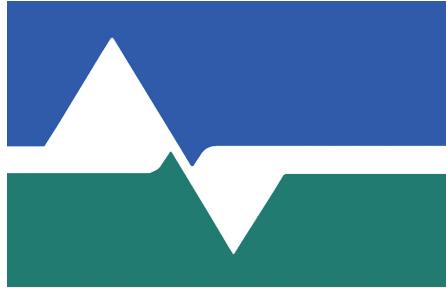
Governmental Unit	Debt Outstanding	Percentage Applicable to Loveland¹	Loveland's Share of Debt
City of Loveland - Debt Applicable to Debt Limit	\$ 32,013,168	100.0%	\$ 32,013,168
Thompson R2-J School District	207,730,799	58.4%	<u>121,314,787</u>
Total			<u>\$ 153,327,955</u>

Source:

¹ Determined by ratio of assessed valuation of taxable property within the City to assessed valuation of the overlapping unit.

² Information provided by the Thompson R2-J School District as of 6/30/2024.

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Schedule 10
City of Loveland, Colorado
Legal Debt Margin Information
Last Ten Fiscal Years

	2015	2016	2017
Debt Limit	252,345,735	258,781,268	315,872,211
Total net debt applicable to limit	-	-	15,900,000
Legal debt margin	<u>\$ 252,345,735</u>	<u>\$ 258,781,268</u>	<u>\$ 299,972,211</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	5.03%

Legal Debt Margin Calculation for Fiscal Year 2024

Note: The City of Loveland is a Home Rule City. Title 31, Article 12-101 of the Colorado Revised Statutes provides that General Obligation indebtedness, for all purposes, shall not at any time exceed three percent of actual value, as determined by the assessor, of the taxable property in the City, except such debt as may be incurred in supplying water.

Source: Larimer County Assessor

2018	2019	2020	2021	2022	2023	2024
322,651,905	378,228,794	383,115,598	415,758,875	422,767,599	529,118,569	540,452,979
15,900,000	15,900,000	15,540,000	16,170,000	15,790,000	15,390,000	13,985,000

\$ 306,751,905 \$ 362,328,794 \$ 367,575,598 \$ 399,588,875 \$ 406,977,599 \$ 513,728,569 \$ 526,467,979

4.93% 4.20% 4.06% 3.89% 3.73% 2.91% 2.59%

Schedule 11
City of Loveland, Colorado
Pledged-Revenue Coverage
Last Ten Fiscal Years

Fiscal Year	Gross		Net Revenue Available for Debt Service			Debt Service Requirements		Coverage
	Revenue	Expenses	Debt Service	Principal	Interest	Total		
2015	10,667,855	10,070,110	597,745	-	28,251	28,251	21.16	
2016	11,944,794	10,449,268	1,495,526	-	315,865	315,865	4.73	
2017	13,763,155	10,644,392	3,118,763	600,000	413,835	1,013,835	3.08	
2018	27,854,645	21,040,959	6,813,686	620,000	533,760	1,153,760	5.91	
2019	31,132,049	20,367,429	10,764,620	1,305,000	3,662,902	4,967,902	2.17	
2020	101,007,770	83,980,901	17,026,869	1,350,000	5,132,881	6,482,881	2.63	
2021	116,057,060	104,116,535	11,940,525	880,000	4,828,905	5,708,905	2.09	
2022	125,844,057	115,280,272	10,563,785	5,525,000	6,555,648	12,080,648	0.87	
2023	130,031,622	119,054,419	10,977,203	3,675,000	6,344,867	10,019,867	1.10	
2024	160,457,795	137,479,107	22,978,688	6,115,000	6,378,988	12,493,988	1.84	

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Beginning in 2021, operating expenses include depreciation.

Source: City of Loveland Financial Statements and Long-Term Debt note disclosure

Schedule 12
City of Loveland, Colorado
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population	Personal Income	County Per Capita Income ²	Median Age	Unemployment Percentage ¹
2015	72,155	\$ 3,144,803,520	\$ 43,584	38.4	3.8
2016	73,349	\$ 3,324,029,982	\$ 45,318	39.1	3.2
2017	73,987	\$ 3,486,045,479	\$ 47,117	40.1	2.5
2018	74,719	\$ 3,776,223,541	\$ 50,539	40.2	2.9
2019	75,441	\$ 4,087,996,908	\$ 54,188	40.2	2.3
2020	75,600	\$ 4,224,830,400	\$ 55,884	39.9	7.4
2021	77,016	\$ 4,377,281,376	\$ 56,836	40.0	6.4
2022	82,788	\$ 6,118,612,716	\$ 73,907	40.2	5.0
2023	83,484	\$ 6,837,172,632	\$ 81,898	40.4	3.3
2024	84,521	\$ 6,980,758,432	\$ 82,592	40.8	4.7

Source:

¹Separate City statistics were not previously available, but are available as of 2016 retroactively to 2007

²Larimer County, separate City statistics not available

Schedule 13
City of Loveland, Colorado
Principal Employers
Current Year and Ten Years Ago

Employer	2015			2024		
	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment (A)
Thompson School District R2-J	3,615	1	8.25%	2,500	1	5.66%
Hach Company	980	5	2.24%	900	4	2.04%
Medical Center of the Rockies	1,329	2	3.03%	1,750	2	3.96%
Wal-Mart Distribution Center	1,000	3	2.28%	900	4	2.04%
City of Loveland	995	4	2.27%	1,400	3	3.17%
University Colorado Hospital Authority -						
Specialty Care Medical Offices				700	7	1.58%
Nutrein USA	360	10	0.82%	400	9	0.91%
McKee Medical Center	505	6	1.15%	750	6	1.70%
Simply Delicious LLC / Bobos				500	8	1.13%
Mears Group Inc				400	9	0.91%
Woodward Governor	500	7	1.14%			
Elevations Credit Union	380	8	0.87%			
Miramont Lifestyle Fitness	370	9	0.84%			
Total (Top Ten Principal Employers)	10,034		22.90%	10,200		23.09%
Total City Employment	43,825			44,174		

Source: City of Loveland Economic Development Department, City of Loveland Development Services Department, Loveland Chamber of Commerce, Larimer County Workforce Center, Bizwest.

^A Numbers prior to 2016 reflect full employment, 2016 forward will reflect full time equivalents (FTEs). Due to privacy issues, employee counts are estimated numbers.

Schedule 14**City of Loveland, Colorado****Full-Time-Equivalent City Government Employees By Function/Program****Last Ten Fiscal Years**

Function/Program	2015	2016 ¹	2017	2018	2019	2020 ²	2021	2022	2023	2024 ³
Executive & Legal	12	18	21	24	24	-	-	-	-	-
City Manager	-	-	-	-	-	9	9	10	12	25
City Attorney	-	-	-	-	-	9	8	8	9	9
City Clerk	7	4	4	5	5	5	5	5	5	5
Community & Business Relations	1	1	1	1	1	1	1	1	1	1
Economic Development	8	7	8	8	8	8	8	9	9	9
Finance	45	45	48	51	51	51	56	60	61	50
Development Services	28	30	28	29	29	27	27	29	29	30
Municipal Court	-	-	-	-	-	5	7	7	8	8
Public Works	95	96	103	105	105	106	106	107	116	115
Police	144	151	159	161	161	171	171	175	179	184
Law Enforcement Training Center	-	-	-	-	-	-	-	-	2	2
Fire	83	84	92	92	92	108	108	109	120	121
Parks & Recreation	66	67	68	70	69	72	73	72	76	80
Library	32	32	32	32	33	32	32	31	31	31
Cultural Services	13	13	13	14	14	15	15	17	17	17
Human Resources	14	13	13	14	14	14	15	16	16	17
Information Technology	23	23	23	23	23	22	24	24	24	24
Golf - Parks & Recreation	13	14	14	14	14	14	14	15	15	16
Water & Power	129	132	136	143	145	179	181	189	205	218
Solid Waste - Public Works	28	28	29	30	30	31	31	31	34	36
Stormwater - Public Works	15	14	15	17	17	17	16	18	18	18
Total	756	772	807	833	835	896	907	933	987	1,015

Note: A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave).

Full-time equivalent (FTE) employment is calculated by dividing total labor hours by 2080.

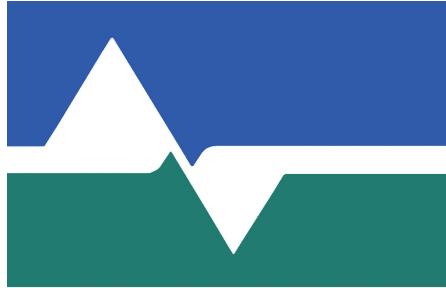
Source: City Budget Office

¹ Court Administration was included with City Clerk prior to 2016 and was moved to Executive and Legal subsequent to 2016.

² In 2020, the Executive and Legal Function was broken out into three functions, City Manager, City Attorney and Municipal Court.

³ In 2024, Meter Readers were moved from the Finance department to Water & Power.

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Schedule 15
City of Loveland, Colorado
Statistical Operating Indicators by Function/Program
Last Ten Fiscal Years

<u>Function/Program</u>	2015	2016	2017	2018
General Government				
Building Permits Issued	2,762	2,624	2,581	2,757
Building Inspections Conducted	31,889	28,787	26,267	25,242
Police				
Physical Arrests (Adults)	2,604	2,825	3,029	2,964
Physical Arrests (Juveniles)	708	552	641	799
Parking Violations	1,784	1,857	1,826	2,333
Traffic Violations	10,363	7,775	9,799	12,524
Fire				
Emergency Responses	7,501	7,915	8,393	8,452
Fires Extinguished	64 ³	136 ³	167	164
Business Inspections	348	416	287	429
Solid Waste Collection				
Solid Waste Collected (tons per day)	99	98	99	104
Recyclables Collected (tons per day)	27	28	27	27
Yard Waste Collected (tons per day)	33	39	39	39
Other Public Works				
Street Resurfacing (miles)	16	17	10	25
Potholes Repaired	3,911	5,653	3,258	4,015
Parks and Recreation				
Athletic Field & Court Reservations	10,698	16,928	17,564	14,086
Chilson Center Admissions	464,561	464,059	445,713	442,679
Rounds of Golf	120,940	118,348	117,494	109,560
Library				
Volumes in Collection (Physical)	149,613	152,993	134,595 ²	127,786
Volumes in Collection (Digital)	421,596	537,219	49,386	65,885
Water				
New Connections	450	403	370	286
Water Main Breaks	68	88	48	56
Average Daily Consumption (thousands of gallons)	10,003	10,613	10,160	10,707
Peak Daily Consumption (thousands of gallons)	27,400	27,300	27,426	27,698
Wastewater				
Average Daily Sewage Treatment (thousands of gallons)	6,500	6,530	6,158	5,970
Power				
Megawatt hours (purchased from PRPA)	753,665	731,596	724,614	741,955
Transit				
Total Route Miles	247,576	238,217	236,905	279,970
Passengers	140,235	116,964	105,917	104,144

¹ Beginning in 2014 total tons received by Recycling Center, including collections by City trucks, averaged by number of days the Recycling Center is open.

² Beginning in 2017 per a change in State Library standards, reporting for pay as you go services are now only reported on the unique titles borrowed, which resulted in a large decline from previous years.

2019	2020	2021	2022	2023	2024
2,356	3,210	3,420	3,676	3,238	4,857
28,535	26,720	35,724	44,636	25,648	27,844
3,099	2,853	3,050	2,492	2,846	3,147
829	302	315	433	405	414
1,957	1,879	2,280	1,872	1,165	892
13,654	10,461	7,279	5,596	5,679	5,412
8,846	9,002	9,885	10,473	11,149	11,680
164	179	157	174	140	99
518	108 ⁴	111 ⁴	422	266	252
99	101	106	106	108	103
26	26	25	25	25	27
38	38	38	38	50	50
27	29	32	31	30	28
5,824	4,308	5,746	6,843	6,754	2,393
13,030	8,410	18,238	18,236	21,890	13,998
464,562	162,218	224,204	305,567	307,096	381,358
106,016	123,275	139,321	146,831	148,375	165,990
124,000	124,444	117,194	121,850	124,761	122,020
85,150	37,359 ⁵	136,185 ⁵	97,230 ⁶	107,203	119,404
270	425	516	563	346	287
45	39	47	39	23	45
9,926	10,777	10,502	10,818	8,871	10,633
24,813	26,788	27,027	26,983	23,519	25,199
5,933	5,934	6,269	5,675	6,164	6,149
724,032	711,481	733,085	748,434	725,177	736,983
305,415	289,701	319,506	361,862	408,704	477,071
118,236	74,213	79,827	98,615	122,297	141,026

See the source of data on the following page.

Footnotes for Schedule 15 (continued)
Statistical Operating Indicators by Function/Program
Last Ten Fiscal Years

Continued from previous page

³ Fires Extinguished in 2015 and prior years included building, grass, and vehicle fires. Starting in 2016, Fires Extinguished includes structure, vehicle, and wildland.

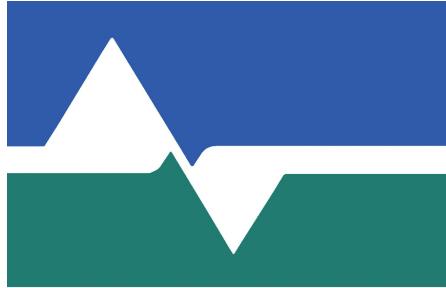
⁴ The business inspections number is significantly down due to COVID lockdown as well as many businesses being shuttered due to the public health emergency.

⁵ Two subscription services consolidated in 2020 reducing the number of volumes by approximately 40,000. During 2021 Loveland Public Library along with others in the Front Range Downloadable district shifted a large amount of print materials to available digital material content.

⁶The change in the electronic items is a reflection of our consortium spending less money on electronic items now that COVID has declined.

Source: City of Loveland Departments

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Schedule 16
City of Loveland, Colorado
Capital Asset Statistics by Function/Program
Last 10 Fiscal Years

	2015	2016	2017	2018	2019
<i>Police</i>					
Stations	1	1	1	1	1
Divisions / Units	12	12	12	12	12
<i>Fire Stations</i>	6	6	6	6	6
<i>Solid Waste Collection</i>					
Collection Trucks	24 ⁵	24	22	22	22
<i>Other Public Works</i>					
Highways (miles) ¹	24	24	24	24	119
Streets (miles) ¹	340	343	343	313	229
Traffic Signals	94	94	97	95	95
<i>Parks and Recreation</i>					
Acreage - Developed Park	438	438	438	453	453
Playgrounds	28 ³	28	28	28	28
Splash Parks	2	2 ⁴	2	2	2
Baseball/Softball Diamonds	30	30	30	30	30
Soccer/Football Fields	38	38	38	38	39
Tennis courts					
Pickleball court					
Community Centers/Recreation Center	1	1	1	1	1
<i>Water</i>					
Water Mains (miles)	451	456	459	463	483
Fire Hydrants	3,017	3,103	3,134	3,171	3,295
Storage Capacity (thousands of gallons)	20,300	20,300	20,300	20,560	20,560
<i>Wastewater</i>					
Sanitary Sewers (miles)	342	348	350	353	373
Treatment Capacity (thousands of gallons)	10,000	10,000	10,000	10,000	10,000
<i>Power</i>					
Overhead Conductors (miles)	298	297	289	287	283
Underground Conductors (miles)	1,084	1,097	1,121	1,122	1,135
Streetlights	6,055	6,188	6,237	6,435	6,454
<i>Transit</i>					
Fixed Route ²	6	7	6	9	9
Paratransit ²	4	2	3	3	3

Note:

¹ Beginning in 2019 the City of Loveland will use functional FHWA definitions for roadway classifications as follows: Arterial Streets are major roadways intended primarily to serve through traffic. Local Streets are municipal streets with limited mobility providing primary access to residential, business and other local areas.

² Prior to 2016 this was reported as buses and minibuses.

³ Correction found for number of parks in 2016, previously 27 reported.

⁴ Splash parks were not previously reported, category added retroactively to 2007.

⁵ Correction found for number of collection trucks in 2016, 2 were added in 2009 and 1 added in 2012.

Source: City of Loveland Departments

2020	2021	2022	2023	2024
1	1	1	1	1
12	12	12	16	16
7	7	9	9	10
22	22	22	28	28
131	154	130	131	132
239	273	259	261	263
96	96	98	100	100
453	453	453	453	453
28	28	28	28	28
2	2	2	2	2
30	30	30	30	30
39	39	39	39	39
			25	
			18	
1	1	1	1	1
469	473	464	483	486
3,247	3,289	3,364	3,378	3,405
20,560	26,060	26,060	26,060	26,060
359	363	370	370	373
10,000	10,000	10,000	10,000	10,000
282	280	279	277	276
1,137	1,189	1,222	1,239	1,256
6,716	6,895	7,063	7,115	7,185
9	8	10	10	11
3	3	3	3	3

Schedule 17

CITY OF LOVELAND, COLORADO

Schedule of Terms

A

Accrual Basis of Accounting: The method of accounting under which debits and credits are recorded at the time they are incurred as opposed to when cash is actually received or spent. For example, in accrual accounting, revenue which was earned in December, but not collected until January, is recorded as revenue in December.

ACFR - Annual Comprehensive Financial Report, the annual report for the City of Loveland, formerly known as the Comprehensive Annual Financial Report.

Amendment 1 (TABOR): An amendment to the Colorado State Constitution that limits revenues and expenditures to the inflation rate, measured by the Denver-Boulder Consumer Price Index, Urban Area (CPI-U), and growth (defined as new construction) of the jurisdiction in the prior year. All new or increased taxes must be voted on by the public. Also, it establishes mandatory emergency reserves.

Appropriation: A legal authorization made by the City Council to make expenditures and incur obligations for specific purposes.

Appropriation Ordinance: An ordinance by means of which appropriations are given legal effect. It is the method by which the expenditure side of the annual budget is enacted into law by the City Council.

American Rescue Plan Act (ARPA): The American Rescue Plan is an economic stimulus bill passed by the 117th US Congress and signed into law by President Biden on March 11, 2021. The Act guaranteed direct relief to cities, towns and villages in the United States due to the COVID pandemic.

Assessed Valuation: A valuation that is set upon real estate or other property by the county assessor to establish a basis for levying taxes. It is equal to 7.15% of market value for residential property and 29% for commercial and industrial property.

Asset Retirement Obligation (ARO): An obligation by the City for costs relating to the retirement of a tangible capital asset.

Assigned Fund Balance: Amounts constrained by the City's intent to use them for a specific purpose.

B

BPPT: Business Personal Property Tax

Bond: A form of borrowing money for major capital projects, such as buildings and streets. The City obligates itself to repay the principal at a stated rate of interest over a stated period of time.

Budget: A financial plan of estimated expenditures and the means of financing them for a state period of time. Upon approval by the City Council the budget appropriation or ordinance is the legal basis for expenditures in the budget year.

C

Capital Outlay: An item that costs \$5,000 or more and is expected to last one year or longer. Examples include vehicles and equipment.

Capital Expansion Fee (CEF): An assessment on new development to contribute to providing new infrastructure necessitated by population growth.

Capital Program: An annually updated plan of capital expenditures for public facilities, infrastructure and major fixed assets with estimated costs, sources of funding and timing of projects over a five-year period.

Capital Improvements: Expenditures related to the acquisition, expansion or rehabilitation of an element of the city's physical structure, sometimes referred to as an infrastructure. Examples include buildings, streets, bridges, parks and utility systems.

Capital Project: Expenditure for equipment, machinery, facilities, or infrastructure that will provide long-term service or other public benefits.

CDBG: Community Development Block Grant.

CDOT: Colorado Department of Transportation.

CEF: Capital Expansion Fee (see definition above).

CFAC: Citizens' Finance Advisory Commission.

Chimney Hollow Reservoir Project: A project that collects, stores, and diverts water from Windy Gap Reservoir and Lake Granby on Colorado's Western Slope to the Colorado-Big Thompson Project facilities, providing water to users on the Front Range. This project name has changed with the building storage project at Chimney Hollow Reservoir from the Windy Gap Firming Project to Chimney Hollow Reservoir Project.

CIRSA: Colorado Intergovernmental Risk Sharing Agency

ColoTrust: Colorado Government Liquid Asset Trust.

Committed Fund Balance: Amounts that can only be used for the specific purposes determined by a formal action through ordinances of the highest level of decision-making authority, and remains binding unless removed in the same manner.

COVID: The COVID pandemic is a global pandemic of coronavirus disease 2019 that was declared an outbreak by the World Health Organization on January 30, 2020.

CPI: Consumer Price Index.

CSAFE: Colorado Surplus Asset Fund Trust

D

DBA: Doing Business As

DDA: Downtown Development Authority

Debt Service: Principal and interest due on long-term debt such as loans, notes and bonds incurred by the City.

Defeasance: A provision in a contract that voids a bond or loan when the borrower sets aside cash or bonds sufficient enough to service the borrower's debt.

Department: Major unit of organization in the City.

Depreciation: Expiration in the service life of fixed assets because of wear and tear, deterioration, action of physical elements, inadequacy or obsolescence.

Division: Sub-unit of a department.

E

Encampment: The City of Loveland issued an emergency ordinance to deal with the issue of currently unhoused individuals camping on City property. The City calls this issue encampment.

Encumbrance: Obligations in the form of purchase orders or contracts which are chargeable to an appropriation and for which a part of the appropriation is reserved. Obligations cease to be encumbrances when paid or when the actual liability is set up.

Enterprise Fund: Funds that are self-supported through user fees. Examples include water, waste water, golf, solid waste, stormwater, and power & communications. Through the TABOR amendment, these funds cannot have more than 10% of their budget subsidized by taxes. This term is interchangeable with Proprietary Fund.

EPA: Environmental Protection Agency

Exempt: A classification indicating that an employee is not eligible for overtime pay, as defined by the guidelines of the Fair Labor Standards Act (FLSA).

Expenditure: Payment for goods or services, including operating expenses that require the current or future use of net current assets, debt and capital outlays. Note that an encumbrance is not an expenditure, but reserves funds to be expended.

F

FDIC: Federal Deposit Insurance Corporation.

FEMA: Federal Emergency Management Agency.

FHWA: Federal Highway Administration.

Fiduciary Fund: A fund used to account for activity of the City as a trustee over funds allotted to meet a current or future financial obligation, usually on an actuarially sound basis. Example: Pension funds.

FIFO: First In First Out inventory valuation method.

Fiscal year: The 12-month period to which the operating budget applies. This is January 1 to December 31 for the City of Loveland.

Fixed Assets: Assets of long-term character that are intended to continue to be held or used, such as land, buildings, machinery and other equipment.

FLSA: Fair Labor Standards Act.

FPPA: An abbreviation for Fire and Police Pension Association.

FTE: Full-time equivalent. The hourly equivalent of a full-time employee. An FTE can be made up of either one full-time employee or two or more part-time employees whose total hours equal 40 per week.

Fund: Accounting entity with a self-balancing set of accounts, which is segregated from other funds, to carry on specific activities or attain certain objectives.

Fund Balance: Net position of a governmental fund (difference between assets, liabilities, deferred outflows of resources, and deferred inflows of resources).

G

GAAP: Generally Accepted Accounting Principles.

GASB: Governmental Accounting Standards Board.

General Fund: One of five governmental fund types. The general fund typically serves as the chief operating fund of a government. The general fund is used to account for all financial resources not accounted for in some other fund. Financed mainly by sales tax and property tax.

GFOA: Government Finance Officers Association.

GID: General Improvement District #1.

Grant: A contribution made from either the private sector to the City or by one governmental unit to another. The contribution is usually made to support a specified program function, or project.

H

Home Rule: A limited grant of discretion from the State of Colorado to Loveland, concerning either the organization of functions or the raising of revenue. Loveland became a home rule city in May of 1996.

HUTF: Highway User Tax Funds.

I

IBNR: Incurred but not reported losses estimated liabilities for health claims.

Intergovernmental Revenue: Amounts of money received from federal, state, and other governmental bodies.

ICMA: International City/County Management Association

Internal Services Fund: Activities which provide support services to other City departments. Example: Fleet Management or Risk Management.

IT or Information Technology: IT provides innovative information technology and services that are reliable, accessible, and cost effective for the City of Loveland staff and citizens.

J-L

LFRA: Loveland Fire Rescue Authority

LLBA: Loveland/Larimer Building Authority

LLC: Limited Liability Company

LP: Limited Partnership

LURA: Loveland Urban Renewal Authority

M

Median Family Income: An income figure for which there are as many families with incomes below that level as there are above.

MFA: An abbreviation for Master Financing Agreement.

Mill Levy: Rate by which assessed valuation is multiplied to determine property tax. A mil is 1/10 of one cent or \$1.00 of tax for each \$1,000 of assessed valuation.

Modified Accrual: Under Modified Accrual Accounting revenues are recorded when they are measurable and available. Expenses are recorded when they are incurred. This differs from the full accrual method where revenues are recorded when received and expenses recorded when the expense is paid.

N

NAV: Net Asset Value is a mutual fund's assets less its liabilities, divided by the number of shares outstanding.

NCLETC: Northern Colorado Law Enforcement Training Center.

Nonspendable Fund Balance: Resources that must remain intact pursuant to legal or contractual requirements. Examples are: inventories, prepaid expenses, long-term loans, and principal balance of a permanent fund.

NRSRO: Nationally recognized statistical rating organizations.

O-P

Operating Budget: The portion of the budget that pertains to daily operations providing basic governmental services. The operating budget contains appropriations for such expenditures as personal services, supplies, and materials.

Payment in Lieu of Tax: An estimate of the amount of taxes that would be chargeable to a utility if owned privately.

PDPA: Public Deposit Protection Act

Per capita: An average per person.

Personal Services: Salaries, wages, benefits, and other related costs of employees.

PIF: Plant Investment Fee (See definition below.) or Public Improvement Fee that refers to the imposition of a fee in the Centerra Metropolitan District #1.

PILT: An estimate of the amount of taxes that would be chargeable to a utility if owned privately.

Plant Investment Fee (PIF): Charges made on new development to contribute to financing utility facilities to meet the needs of increased population. Applies to Loveland Water and Power. This fee is similar in nature to a Capital Expansion Fee.

Projection: Estimation of future revenues and expenditures, based on assessed valuation and the mill levy.

PRPA: Platte River Power Authority.

Q-R

Reserve: Funds set aside in the current and past years for the purpose of paying for capital needs, providing for obligations and liabilities, and meeting emergency needs.

Reserve Fund Balance: The portion of fund's balance that is legally restricted for a specific purpose and is, therefore, not available for general appropriation.

Resources: Total amounts available for appropriation, consisting of estimated beginning funds on hand plus anticipated revenues.

Restricted Fund Balance: Resources that can only be spent for the specific purposes stipulated by constitution, external resources, or through a government's own constitution or charter.

Revenues: Funds that the government receives as income such as tax payments, user fees, charges, special assessments, fines, grants, and interest income to support the services provided.

Risk Management: An organized attempt to protect a government's assets against accidental loss in the most economical manner, and programs to minimize worker injury and supervisory actions to limit City liability.

RSI: An abbreviation for Required Supplemental Information.

S

SBITA: Subscription-Based Information Technology Agreement. Which is a contract that conveys control of the right to use another party's information technology software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction.

Self-Insurance: Establishment of a sum of money sufficient to pay anticipated claims. Used as a planning process to control costs and coverage in lieu of paying premiums to insurance companies.

SIC: Summary by Industry Code.

SID: Special Improvement District. (See definition below).

SIF: System Impact Fee. (See definition below.)

Services Rendered: Charges made to a fund for support services provided by another fund.

Special Assessment: A compulsory levy made against certain properties to defray part or all of the cost of a specific improvement or service deemed to primarily benefit those properties.

Special Improvement District (SID): A district composed of property owners who have agreed to join together to complete and pay for the cost of public improvements.

Special Revenue Funds: A fund used to account for the proceeds of specific revenues that are legally restricted to be spent for specific purposes. Example: Capital Expansion Fees.

Subscription Based Information Technology Agreements: A contract that conveys control of the right to use another party's information technology software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction

System Impact Fee (SIF): Impact fees on new development that contribute to financing utility facilities to meet the needs of increased population. Applies to the Water, Wastewater and Storm Water utilities.

T-U

TABOR (Taxpayers' Bill of Rights also known as Amendment 1): Refers to an amendment to State constitution, which put in place several restrictions to state and local government. The most significant limits are the requirement for all tax rate increases to be by a vote of approval, and creating revenue limits a government must abide by, refunding all revenue over the limit unless given voter approval otherwise.

TIF: Tax Increment Finance

Transfers: Amounts distributed from one fund to finance activities in another fund. Transfers are shown as an expenditure in the originating fund and a revenue in the receiving fund.

Unreserved Fund Balance: The portion of a fund's balance that is not restricted for a specific purpose and is available for general appropriation.

User Fee: Charge to the benefiting party for the direct receipt of a public service.

V-Z

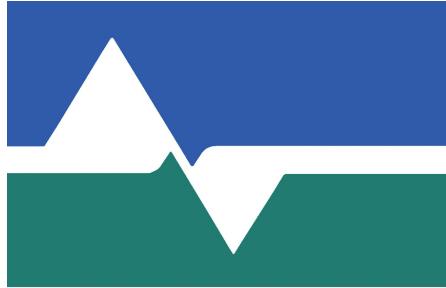
Water Reclamation Facility - Provides wastewater treatment and reclamation and administers the industrial pretreatment program. Monitoring of treatment processes.

Windy Gap Firming Project: A project that collects, stores, and diverts water from Windy Gap Reservoir and Lake Granby on Colorado's Western Slope to the Colorado-Big Thompson Project facilities, providing water to users on the Front Range. This project name has changed with the building storage project at Chimney Hollow Reservoir to Chimney Hollow Reservoir Project.

WRF: Water Reclamation Facility

WWTP: Wastewater Treatment Plant

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Compliance

**This section contains the City's Schedule of
Expenditures of Federal Awards, Colorado Local
Highway Finance Report and related reports.**

City of Loveland, Colorado

Federal Awards Supplemental Information
December 31, 2024

Independent Auditor's Reports

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
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Compliance Required by the Uniform Guidance 3-5

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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*

Independent Auditor's Report

To Management, the Honorable Mayor,
and Members of the City Council
City of Loveland, Colorado

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Loveland, Colorado (the "City") as of and for the year ended December 31, 2024 and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 26, 2025.

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 opinion 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*.

To Management, the Honorable Mayor,
and Members of the City Council
City of Loveland, Colorado

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.

Plante & Moran, PLLC

June 26, 2025

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

Independent Auditor's Report

To the Honorable Mayor and Members of the City Council
City of Loveland, Colorado

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Loveland, Colorado's (the "City") compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2024. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of the major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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* (the "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.

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.

To the Honorable Mayor and Members of the City Council
City of Loveland, Colorado

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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance that are required to be reported in accordance with the OMB Uniform Guidance, which are described in the accompanying schedule of findings and questioned costs as Findings 2024-002, 2024-004, and 2024-005. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

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, and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

To the Honorable Mayor and Members of the City Council
City of Loveland, Colorado

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as Findings 2024-001, 2024-002, 2024-003, 2024-004, 2024-005, and 2024-006 to be material weaknesses.

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.

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

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.

Flante & Morss, PLLC

June 26, 2025

City of Loveland, Colorado

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2024

Federal Agency/Pass-through Agency/Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
U.S. Economic Development Administration				
Passed through Colorado Department of Local Affairs/Colorado Tourism Office Economic Development Cluster - COVID-19 - Economic Adjustment Assistance	11.307	POGG1 2023-3128	\$ -	\$ 68,786
U.S. Department of Housing and Urban Development				
Direct - CDBG - Entitlement Grants Cluster:				
Community Development Block Grants/Entitlement Grants	14.218		74,123	298,173
COVID-19 - Community Development Block Grants/Entitlement Grants	14.218		-	8,865
Total CDBG - Entitlement Grants Cluster			74,123	307,038
Direct - Economic Development Initiative-Special Project, Neighborhood Initiative, and Miscellaneous Grants	14.251		-	810,000
Total U.S. Department of Housing and Urban Development			74,123	1,117,038
U.S. Department of Labor				
Passed through Colorado Department of Labor and Employment - Apprenticeship USA Grants	17.285	187345/CTGG1 PMAA 2024*2742	-	35,607
U.S. Fish and Wildlife Service				
Passed through Colorado Parks and Wildlife - Fish and Wildlife Cluster - Sport Fish Recreation Program	15.605	N/A	-	37,598
Passed through Colorado Parks and Wildlife/Land and Water Conservation Fund - Outdoor Recreation, Acquisition, Development, and Planning	15.916	POGG1,KAPP,202400002018	-	1,014,093
Total U.S. Fish and Wildlife Service			-	1,051,691
U.S. Department of Justice/Office of Justice Programs				
Passed through Colorado Department of Public Safety/Division of Criminal Justice - Crime Victim Assistance	16.575	2022-VA-23-280-08	-	50,612

City of Loveland, Colorado

Schedule of Expenditures of Federal Awards (Continued)

Year Ended December 31, 2024

Federal Agency/Pass-through Agency/Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
U.S. Department of Transportation				
Direct - Federal Transit Cluster:				
COVID-19 Federal Transit Formula Grants	20.507		\$ -	\$ 189,124
COVID-19 Federal Transit Formula Grants	20.507		-	495,732
Federal Transit Formula Grants	20.507		-	173,045
Federal Transit Formula Grants	20.507		<u>-</u>	<u>892,699</u>
Total Federal Transit Cluster			-	1,750,600
Direct - Airport Improvement Program	20.106		-	9,273,508
Direct - COVID-19 - Airport Improvement Program	20.106		<u>-</u>	<u>669,458</u>
Total Airport Improvement Program			-	9,942,966
Passed through Colorado Department of Transportation:				
Highway Safety Cluster	20.600	N/A	-	29,423
Highway Planning and Construction	20.205	21-HA4-XC-03177	-	3,330,637
Highway Planning and Construction	20.205	23-HA4-XC-00114	-	145,869
Highway Planning and Construction	20.205	24-HA4-XC-00234	<u>-</u>	<u>256,489</u>
Total U.S. Department of Transportation			-	15,455,984
U.S. Department of the Treasury				
Direct - COVID-19 - American Rescue Plan Act (ARPA) - Coronavirus State & Local Fiscal Recovery Funds	21.027		105,006	3,254,992
Federal Communications Commission				
Direct - Emergency Connectivity Fund Program	32.009		-	17,972
National Endowment for the Arts				
Direct - Promotion of the Arts Partnership Agreements	45.025		-	3,250
U.S. Environmental Protection Agency				
Direct - Brownfields Assessment and Cleanup Cooperative Agreements	66.818		-	70,237
U.S. Department of Health and Human Services				
Passed through Colorado Department Early Childhood - CCDF Cluster - Child Care and Development Block Grant	93.575	N/A	-	23,545
Corporation for National and Community Service				
Passed through Serve Colorado - Volunteer Generation Fund	94.021	N/A	-	327,801
U.S. Department of Homeland Security				
Passed through Colorado Department of Public Safety - Hazard Mitigation Grant	97.039	22HMG12LOV	<u>-</u>	<u>1,139,574</u>
Total federal expenditures			\$ 179,129	\$ 22,617,089

City of Loveland, Colorado

Notes to Schedule of Expenditures of Federal Awards

Year Ended December 31, 2024

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the City of Loveland, Colorado (the "City") under programs of the federal government for the year ended December 31, 2024. The information in the Schedule 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* (the "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 cash flows of the City.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the same basis of accounting as the basic financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The pass-through entity identifying numbers are presented where available.

The City has elected not to use the 10 percent *de minimis* indirect cost rate to recover indirect costs, as allowed under the Uniform Guidance.

Schedule of Findings and Questioned Costs

City of Loveland, Colorado

Schedule of Findings and Questioned Costs

Year Ended December 31, 2024

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified		
Internal control over financial reporting:			
• Material weakness(es) identified?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> X No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> X None reported
Noncompliance material to financial statements noted?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> X None reported		

Federal Awards

Internal control over major programs:			
• Material weakness(es) identified?	<input checked="" type="checkbox"/> X	Yes	<input type="checkbox"/> No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> X 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 Section 2 CFR 200.516(a)?	<input checked="" type="checkbox"/> X	Yes	<input type="checkbox"/> No

Identification of major programs:

Assistance Listing Number	Name of Federal Program or Cluster
14.251	Economic Development Initiative - Special Project, Neighborhood Initiative, and Miscellaneous Grants
15.916	Outdoor Recreation, Acquisition, Development, and Planning
20.205	Highway Planning and Construction
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds
97.039	Hazard Mitigation Grant

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes X No

Section II - Financial Statement Audit Findings

Reference Number	Finding
Current Year	None

City of Loveland, Colorado

Schedule of Findings and Questioned Costs (Continued)

Year Ended December 31, 2024

Section III - Federal Program Audit Findings

Reference Number	Finding
2024-001	<p>Assistance Listing Number, Federal Agency, and Program Name - ALN 21.027, U.S. Department of the Treasury, COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)</p> <p>Federal Award Identification Number and Year - FAIN not available, 2022</p> <p>Pass-through Entity - N/A - Direct funded</p> <p>Finding Type - Material weakness</p> <p>Repeat Finding - No</p> <p>Criteria - Per 2 CFR 200.303(a), nonfederal entities must establish and maintain effective internal control over the federal award that provides reasonable assurance that the nonfederal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award. These internal controls should be in compliance with guidance in Standards for Internal Control in the Federal Government issued by the comptroller general of the United States or the Internal Control Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).</p> <p>Condition - The City did not have controls in place surrounding the review of annual performance reporting.</p> <p>Questioned Costs - None</p> <p>If Questioned Costs are not Determinable, Description of why Known Questioned Costs Were Undetermined or Otherwise Could not be Reported - Not applicable</p> <p>Identification of How Questioned Costs Were Computed - Not applicable</p> <p>Context - As the City received less than \$10 million of CSLFRF funding, it is required to submit an annual report for the program and have controls in place to ensure the report is filed on time and no errors in reporting occur. During the review of internal controls over the annual performance report required by the program, the City was unable to produce evidence of a secondary review of the annual report before or after submission; however, the report was filed on time, and no errors in reporting were noted as a result of our audit procedures.</p> <p>Cause and Effect - Due to significant staff turnover at the City, it did not have controls in place over reporting for this grant. The lack of controls could have resulted in material misstatements to the reports filed with the funding agency.</p> <p>Recommendation - In order to ensure reporting requirements are met and that reports are accurate and filed timely, we recommend the City incorporate a formal review process of the reports.</p> <p>Views of Responsible Officials and Corrective Action Plan - The City agrees with this finding. The City is in the process of strengthening its formal grant review process for all reports to ensure accuracy and timeliness. See the corrective action plan.</p>

City of Loveland, Colorado

Schedule of Findings and Questioned Costs (Continued)

Year Ended December 31, 2024

Section III - Federal Program Audit Findings (Continued)

Reference Number	Finding
2024-002	<p>Assistance Listing Number, Federal Agency, and Program Name - ALN 14.251, U.S. Department of Housing and Urban Development, Economic Development Initiative - Special Project, Neighborhood Initiative, and Miscellaneous Grants</p> <p>Federal Award Identification Number and Year - B-22-CP-CO-0158, 2022</p> <p>Pass-through Entity - N/A - Direct funded</p> <p>Finding Type - Material weakness and material noncompliance with laws and regulations</p> <p>Repeat Finding - No</p> <p>Criteria - Per 2 CFR 200.303(a), nonfederal entities must establish and maintain effective internal control over the federal award that provides reasonable assurance that the nonfederal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award. These internal controls should be in compliance with guidance in Standards for Internal Control in the Federal Government issued by the comptroller general of the United States or the Internal Control Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission.</p> <p>Condition - The City did not have controls in place surrounding the filing of semiannual performance and financial reports, nor did it submit the required reports.</p> <p>Questioned Costs - None</p> <p>If Questioned Costs are not Determinable, Description of why Known Questioned Costs Were Undetermined or Otherwise Could not be Reported - Not applicable</p> <p>Identification of How Questioned Costs Were Computed - Not applicable</p> <p>Context - According to the terms of the award, the City is required to submit a performance report to the granting agency on a semiannual basis and must include a completed federal financial report as an attachment to each performance report.</p> <p>Cause and Effect - The City was unable to access the granting agency's web portal and, therefore, did not submit the required reports during the year.</p> <p>Recommendation - In order to ensure reporting requirements are met and that reports are accurate and filed timely, we recommend the City incorporate a formal review process of the reports.</p> <p>Views of Responsible Officials and Planned Corrective Actions - The City agrees with this finding. The City is in the process of strengthening its formal grant review process for all reports to ensure accuracy and timeliness. See the corrective action plan.</p>

City of Loveland, Colorado

Schedule of Findings and Questioned Costs (Continued)

Year Ended December 31, 2024

Section III - Federal Program Audit Findings (Continued)

Reference Number	Finding
2024-003	<p>Assistance Listing Number, Federal Agency, and Program Name - 15.916, U.S. Department of the Interior, Outdoor Recreation, Acquisition, Development, and Planning</p> <p>Federal Award Identification Number and Year - FAIN not available, 2024</p> <p>Pass-through Entity - Colorado Parks and Wildlife/Land and Water Conservation Fund</p> <p>Finding Type - Material weakness</p> <p>Repeat Finding - No</p> <p>Criteria - Per 2 CFR 200.303(a), nonfederal entities must establish and maintain effective internal control over the federal award that provides reasonable assurance that the nonfederal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award. These internal controls should be in compliance with guidance in Standards for Internal Control in the Federal Government issued by the comptroller general of the United States or the Internal Control Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission.</p> <p>Condition - The City did not have controls in place surrounding the review of requests for reimbursement to ensure the underlying invoices were allowable and that the local matching contribution was calculated correctly.</p> <p>Questioned Costs - None</p> <p>If Questioned Costs are not Determinable, Description of why Known Questioned Costs Were Undetermined or Otherwise Could not be Reported - Not applicable</p> <p>Identification of How Questioned Costs Were Computed - Not applicable</p> <p>Context - The same individual at the City prepared and submitted the requests for reimbursement without a second person reviewing the request. The City submitted two requests for reimbursement during the year under audit with grant reimbursement amounts totaling \$550,495. The City submitted a third request for reimbursement subsequent to the year under audit that included 2024 expenditures of federal awards in the amount of \$653,591.</p> <p>Cause and Effect - The City did not have a policy in place to ensure an individual in the finance department reviewed the requests for reimbursement prepared by department staff; however, no unallowable costs, incorrect matching calculations, or inappropriate reimbursement requests were noted as a result of our audit procedures.</p> <p>Recommendation - We recommend the City implement a process to ensure all requests for reimbursement are reviewed prior to submission.</p> <p>Views of Responsible Officials and Planned Corrective Actions - The City agrees with this finding. The grant accountant is revising the City's grant regulations and requirements to improve its internal controls and processes. Part of this update will include a requirement that all RFRs prepared by departments are forwarded to the finance department for review and approval prior to submission. See the corrective action plan.</p>

City of Loveland, Colorado

Schedule of Findings and Questioned Costs (Continued)

Year Ended December 31, 2024

Section III - Federal Program Audit Findings (Continued)

Reference Number	Finding
2024-004	<p>Assistance Listing Number, Federal Agency, and Program Name - 15.916, U.S. Department of the Interior, Outdoor Recreation, Acquisition, Development, and Planning</p> <p>Federal Award Identification Number and Year - FAIN not available, 2024</p> <p>Pass-through Entity - Colorado Parks and Wildlife/Land and Water Conservation Fund</p> <p>Finding Type - Material weakness and material noncompliance with laws and regulations</p> <p>Repeat Finding - No</p> <p>Criteria - Per 2 CFR 184.4(b), the Buy America preference, which is to ensure none of the funds made available for a federal award for an infrastructure project may be obligated unless all of the iron, steel, manufactured products, and construction materials used in the project are produced in the United States, must be included in all subawards, contracts, and purchase orders for the work performed under the federal award. Per 2 CFR 200.318 (b), nonfederal entities "must maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders."</p> <p>Condition - The City did not have controls in place surrounding the review of contracts and bid documents and omitted the Build America Buy America clause.</p> <p>Questioned Costs - None</p> <p>If Questioned Costs are not Determinable, Description of why Known Questioned Costs Were Undetermined or Otherwise Could not be Reported - Not applicable</p> <p>Identification of How Questioned Costs Were Computed - Not applicable</p> <p>Context - The City entered into one vendor contract during the year related to this federal award. The contract was for an infrastructure project, but the required Build America Buy America clause was excluded from the contract.</p> <p>Cause and Effect - The City did not have a process in place to review the contract to ensure it was in compliance with the Uniform Guidance; therefore, the City omitted the required clauses and was not in compliance with 2 CFR 200.318(b).</p> <p>Recommendation - We recommend the City review all contract and bid documents to ensure they are in compliance with all federal laws and regulations.</p> <p>Views of Responsible Officials and Planned Corrective Actions - The City accepts this finding. The City did have internal policies in place to ensure compliance with federal procurement requirements. However, the project was bid on and awarded prior to receipt of any grant funding, so the Buy America preference was not included in the contracts. While unintentional, the contract requirement was not followed. The City will require an amendment to the contract to include the Build America Buy America clause. See the corrective action plan.</p>

City of Loveland, Colorado

Schedule of Findings and Questioned Costs (Continued)

Year Ended December 31, 2024

Section III - Federal Program Audit Findings (Continued)

Reference Number	Finding
2024-005	<p>Assistance Listing Number, Federal Agency, and Program Name - 15.916, U.S. Department of the Interior, Outdoor Recreation, Acquisition, Development, and Planning</p> <p>Federal Award Identification Number and Year - FAIN not available, 2024</p> <p>Pass-through Entity - Colorado Parks and Wildlife/Land and Water Conservation Fund</p> <p>Finding Type - Material weakness and material noncompliance with laws and regulations</p> <p>Repeat Finding - No</p> <p>Criteria - Per 29 CFR 5.5, all laborers and mechanics employed by contractors or subcontractors to work on construction contracts in excess of \$2,000 financed by federal assistance funds must be paid wages not less than those established for the locality of the project (prevailing wage rates) by the Department of Labor. Nonfederal entities must include in their construction contracts subject to the wage rate requirements, a provision that the contractor or subcontractor comply with those requirements and the DOL regulations.</p> <p>Condition - The City did not have controls in place surrounding the review of contracts and bid documents and omitted the prevailing wage rates provisions from the construction contract it entered into that was financed by the federal award.</p> <p>Questioned Costs - None</p> <p>If Questioned Costs are not Determinable, Description of why Known Questioned Costs Were Undetermined or Otherwise Could not be Reported - Not applicable</p> <p>Identification of How Questioned Costs Were Computed - Not applicable</p> <p>Context - The City incurred expenditures during the year under audit under one contract related to this federal award that was subject to the wage rate requirements.</p> <p>Cause and Effect - The City did not have a process in place to review the contract to ensure it was in compliance with the requirements of the federal award, and, therefore, the required clauses were omitted from the contract and the City was not in compliance with the regulation; however, it did obtain and review the required weekly payroll reports to ensure prevailing wage rates were paid.</p> <p>Recommendation - We recommend the City review all contract and bid documents to ensure they are in compliance with all federal laws and regulations.</p> <p>Views of Responsible Officials and Planned Corrective Actions - The City accepts this finding. The City did have internal policies in place to ensure compliance with federal wage requirements. However, the project was bid on and awarded prior to receipt of any grant funding, so the prevailing wage rate requirements were not included in the contracts. While unintentional, the contract requirement was not followed but was complied with in practice. The City will require an amendment to the contract to ensure the prevailing wage requirement is included. See the corrective action plan.</p>

City of Loveland, Colorado

Schedule of Findings and Questioned Costs (Continued)

Year Ended December 31, 2024

Section III - Federal Program Audit Findings (Continued)

Reference Number	Finding
2024-006	<p>Assistance Listing Number, Federal Agency, and Program Name - 20.205, U.S. Department of Transportation, Highway Planning, and Construction; 15.916, U.S. Department of the Interior, Outdoor Recreation, Acquisition, Development, and Planning</p> <p>Federal Award Identification Number and Year - FAINs not available</p> <p>Pass-through Entity - ALN 20.205 - Colorado Department of Transportation; ALN 15.916 - Colorado Parks and Wildlife/Land and Water Conservation Fund</p> <p>Finding Type - Material weakness</p> <p>Repeat Finding - No</p> <p>Criteria - The Single Audit Act and the Uniform Guidance require a nonfederal entity that expends \$750,000 or more of federal awards in a fiscal year to have a single or program-specific audit. 2 CFR §200.508 (b) indicates that the auditee must prepare financial statements, including the schedule of expenditures of federal awards, in accordance with 2 CFR §200.510. Additionally, 2 CFR §200.502 describes the basis for determining the timing of when federal awards are deemed expended and, therefore, reportable on the schedule.</p> <p>Condition - The schedule of expenditures of federal awards (the "SEFA") was not accurate.</p> <p>Questioned Costs - None</p> <p>If Questioned Costs are not Determinable, Description of why Known Questioned Costs Were Undetermined or Otherwise Could not be Reported - Not applicable</p> <p>Identification of How Questioned Costs Were Computed - Not applicable</p> <p>Context - During the fiscal year ended December 31, 2024, the City expended approximately \$22,617,000 of federal funding. The initial draft of the SEFA included the following inaccuracies:</p> <p>ALN 20.205 - The expenditures reported on the SEFA were overstated by \$19,522 for one award and understated by \$145,869 for another award.</p> <p>ALN 15.916 - The expenditures reported on the SEFA were overstated by \$45,915.</p> <p>The errors noted above have been corrected on the SEFA as of December 31, 2024.</p> <p>Cause and Effect - Controls in place did not ensure the SEFA was complete and accurate for the fiscal period under audit. The errors resulted in the understatement of federal expenditures.</p> <p>Recommendation - We recommend the City implement a process to ensure that the SEFA is complete and accurate.</p> <p>Views of Responsible Officials and Planned Corrective Actions - The City accepts this finding. As part of the revision to the City's grant process and procedures, its will enhance its master grant-tracking spreadsheet to ensure grant expenditures are reported correctly. We will collaborate with city departments to ensure costs are recorded correctly. See the corrective action plan.</p>

The public report burden for this information collection is estimated to average 380 hours annually.

LOCAL HIGHWAY FINANCE REPORT

STATE:
COLORADO
YEAR ENDING (mm/yy):
12/2024

This Information From The Records Of:
City of Loveland

Prepared By:

Sarah Clinebell - sarah.clinebell@cityofloveland.org

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway expenditures:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	\$ 15,893,672.00
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	\$ 4,113,926.26
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	\$ 2,342,889.45
2. General fund appropriations	\$ 942,768.57	b. Snow and ice removal	\$ 632,643.11
3. Other local imposts (from page 2)	\$ 12,727,232.15	c. Other	\$ -
4. Miscellaneous local receipts (from page 2)	\$ 5,476,088.59	4. Total (a. through c.)	\$ 2,975,532.56
5. Transfers from toll facilities		5. General administration & miscellaneous	\$ 2,975,204.10
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	\$ 15,529,706.78
a. Bonds - Original Issues		6. Total (1 through 5)	\$ 41,488,041.70
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	\$ -	a. Interest	
7. Total (1 through 6)	\$ 19,146,089.31	b. Redemption	
B. Private Contributions	\$ 13,811,456.56	c. Total (a. + b.)	\$ -
C. Receipts from State government (from page 2)	\$ 4,089,386.01	2. Notes:	
D. Receipts from Federal Government (from page 2)	\$ 2,210,590.82	a. Interest	
E. Total receipts (A.7 + B + C + D)	\$ 39,257,522.70	b. Redemption	
		c. Total (a. + b.)	\$ -
		3. Total (1.c + 2.c)	\$ -
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total expenditures (A.6 + B.3 + C + D)	\$ 41,488,041.70

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				\$ -
1. Bonds (Refunding Portion)				\$ -
B. Notes (Total)				\$ -

V. LOCAL ROAD AND STREET FUND BALANCE (RECEIPTS AND DISBURSEMENTS ONLY)

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
\$ 2,230,519.00	\$ 39,257,522.70	\$ 41,488,041.70	\$ -	\$ (0.00)

Notes and Comments:

Submitted to State site 6/11/2025 - SC

LOCAL HIGHWAY FINANCE REPORT

 STATE:
COLORADO

 YEAR ENDING (mm/yy):
12/2024
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assesments		a. Interest on investments	\$ 4,393.20
b. Other local imposts:		b. Traffic Fines & Penalties	\$ 503,451.41
1. Sales Taxes	\$ -	c. Parking Garage Fees	\$ 88,481.97
2. Infrastructure & Impact Fees	\$ 10,941,126.91	d. Parking Meter Fees	\$ -
3. Liens	\$ -	e. Sale of Surplus Property	\$ -
4. Licenses	\$ 9,200.00	f. Charges for Services	\$ 4,640,796.03
5. Specific Ownership &/or Other	\$ 1,776,905.24	g. Other Misc. Receipts	\$ (2,169.62)
6. Total (1. through 5.)	\$ 12,727,232.15	h. Other	\$ 241,135.60
c. Total (a. + b.)	\$ 12,727,232.15	i. Total (a. through h.)	\$ 5,476,088.59
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes (from Item I.C.5.)	\$ 3,091,453.22	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	\$ 262,883.89	d. Federal Transit Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other	\$ 735,048.90	f. Other Federal ARPA	\$ 2,210,590.82
f. Total (a. through e.)	\$ 997,932.79	g. Total (a. through f.)	\$ 2,210,590.82
4. Total (1. + 2. + 3.f)	\$ 4,089,386.01	3. Total (1. + 2.g)	\$ 2,210,590.82
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs	\$ 306,714.00	\$ 333,152.00	\$ 639,866.00
b. Engineering Costs	\$ 462,157.00	\$ 154,227.00	\$ 616,384.00
c. Construction:			
(1). New Facilities	\$ -	\$ 226,519.00	\$ 226,519.00
(2). Capacity Improvements	\$ 5,403,844.00	\$ 169,599.00	\$ 5,573,443.00
(3). System Preservation	\$ -	\$ 8,837,460.00	\$ 8,837,460.00
(4). System Enhancement And Operation	\$ -	\$ -	\$ -
(5). Total Construction (1)+(2)+(3)+(4)	\$ 5,403,844.00	\$ 9,233,578.00	\$ 14,637,422.00
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	\$ 6,172,715.00	\$ 9,720,957.00	\$ 15,893,672.00
<i>(Carry forward to page 1)</i>			

Notes and Comments: