Attachment 3

City of Loveland

Quarterly Financial Update

Brian Waldes, Chief Financial Officer

Finance

December 2, 2025

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Agenda

- **General Fund Revenues**
  - Sales Tax
  - Property Tax
  - Building Materials Use Tax
  - Auto Use Tax
- **General Fund Expenses**
  - Personnel Services
  - Supplies
  - Purchased Services
- **General Fund Summary**
  - General Fund Combined Totals
  - Unassigned Fund Balance
- **Closeout**
  - All Other Funds – YTD Summary
  - Did You Know
  - Budget Timeline
  - Questions & Feedback
  - Helpful Links

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Fund Accounting

Governments use fund accounting, a system that tracks resources according to their designated use. This system necessitates separate accounts for restricted funds to ensure compliance with financial reporting requirements. Because these restricted funds are earmarked for specific purposes they cannot be freely transferred to and from the general fund.

City of Loveland

General Fund Revenues

The general fund is the main operating fund for a government entity, used to account for all financial resources not specifically designated for other funds.

Revenues

In this section we'll discuss General Fund **Revenues**. These revenues fall within the four categories below:

- Sales Tax
- Property Tax
- Building Materials Use Tax
- Auto Use Tax

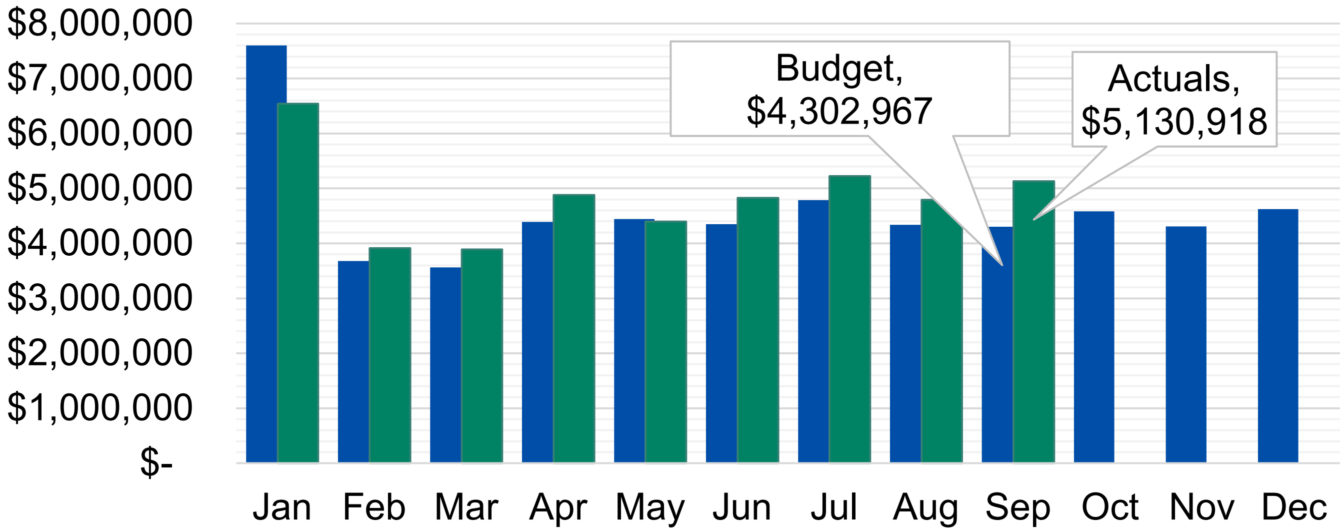
Sales Tax

Sales Tax is the primary source of revenue for the General Fund.

The information on this slide reflects taxes paid at the time of the transaction, regardless of when the funds were received by the City.

Sales tax collections are coming in stronger than budgeted through the 3rd Quarter.

2025 Budget vs. Actuals (Cash Basis)



	2025	
	YTD	Fiscal Year
Budget	$41,447,299	$ 54,964,018
Actuals	43,581,279	43,581,279
Variance + / (-)	$ 2,133,980	$(11,382,739)

	Comparison to Prior Year		
	2024	2025	Variance + / (-)
Budget	$53,105,331	$54,964,018	$ 1,858,687
Actuals YTD	43,576,811	43,581,279	$ 4,468

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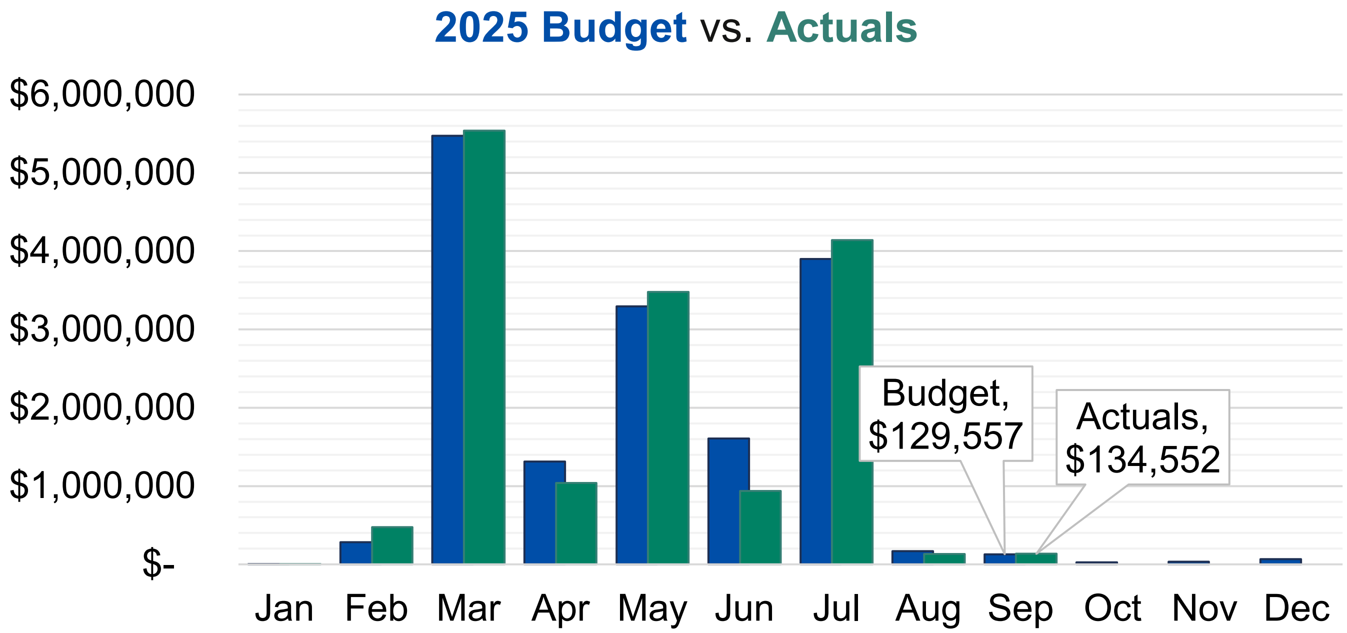
Property Tax

Property Tax is the second largest contributor of General Fund revenue. The timing of property tax payments makes this data more informative at certain points during the year.

- Lump sum payments are due at the end of April.
- Installment payments are due at the end of February and mid-June.



Property tax collections are slightly under the budget forecast through Q3 and are lower than last year due to a one-time payment received that will not occur in 2025.

	2025	
	YTD	Fiscal Year
Budget	$16,166,051	$16,292,934
Actuals	15,879,125	15,879,125
Variance + / (-)	$ (286,927)	$ (413,809)

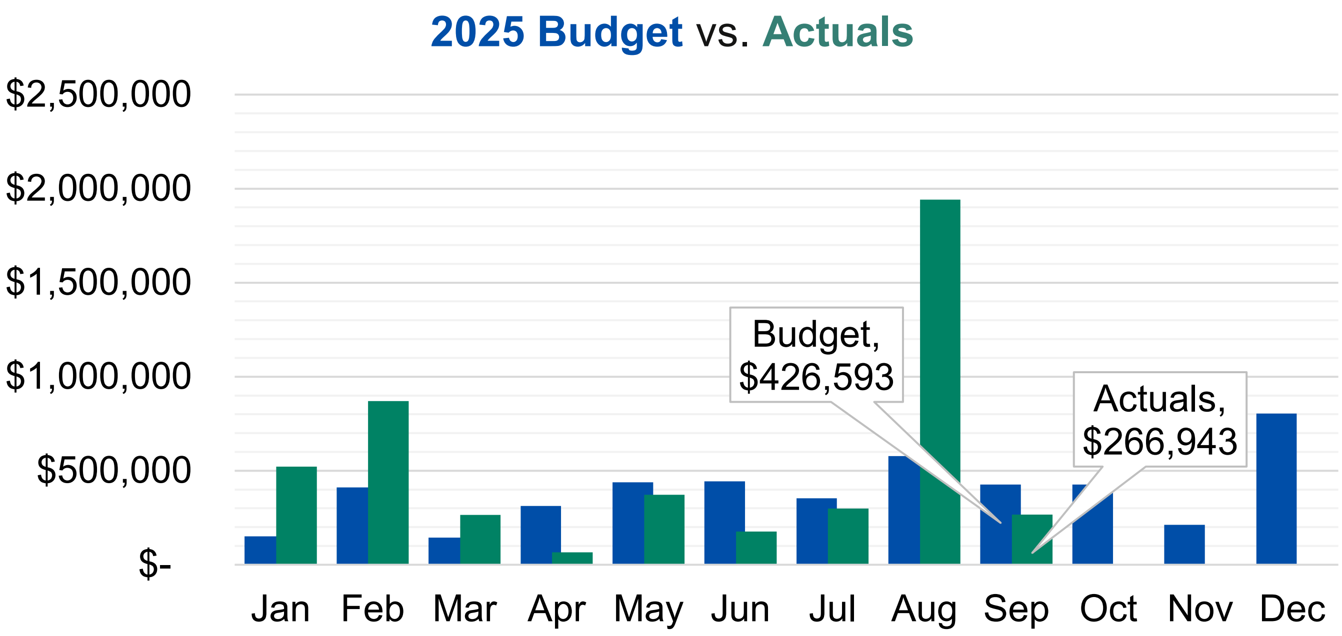
	Comparison to Prior Year		
	2024	2025	Variance + / (-)
Budget	$16,127,878	$16,292,934	$ 165,056
Actuals YTD	16,515,308	15,879,125	$ (636,184)

City of Loveland

Building Materials Use Tax

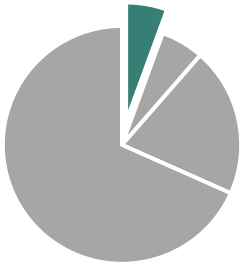
Building Materials Use Tax is imposed on the use, storage, or consumption of building materials and collections can vary month-to-month depending on new projects developing throughout the City.

Building Use Tax will end the year in a stronger-than-forecasted position due to a one-time non-reoccurring single permit for $1.7 million collected in August.



	2025	
	YTD	Fiscal Year
Budget	$ 3,257,345	$ 4,700,000
Actuals	4,777,126	4,777,126
Variance + / (-)	$ 1,519,782	$ 77,126

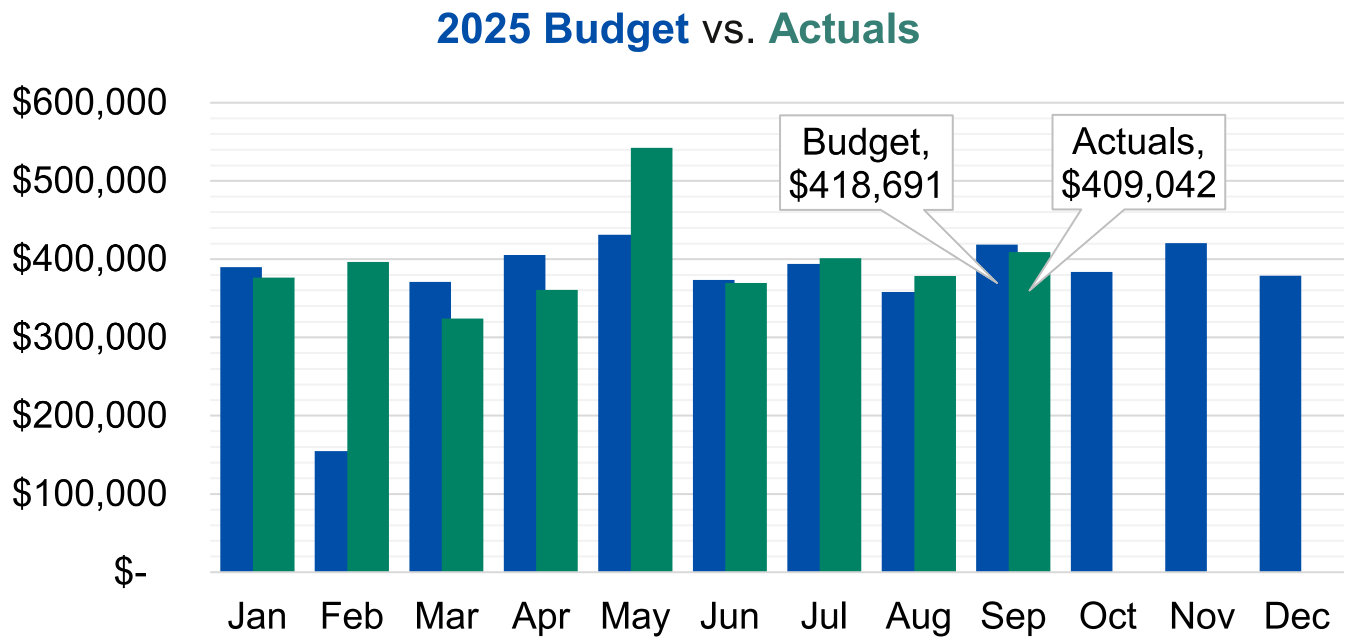
	Comparison to Prior Year		
	2024	2025	Variance + / (-)
Budget	$ 4,600,000	$ 4,700,000	$ 100,000
Actuals YTD	3,296,082	4,777,126	$ 1,481,044



Auto Use Tax

The City receives Auto Use Tax when Loveland residents purchase and register a new vehicle, regardless of where the purchase occurred.

Auto Use Tax revenue remains relatively stable throughout the year.



Vehicle purchase activity continues to be stronger than anticipated through Q3.

	2025	
	YTD	**Fiscal Year**
Budget	$3,296,729	$ 4,480,000
Actuals	3,558,828	3,558,828
Variance + / (-)	$ 262,099	$ (921,172)

	Comparison to Prior Year		
	2024	**2025**	**Variance + / (-)**
Budget	$ 4,400,000	$ 4,480,000	$ 80,000
Actuals YTD	3,160,675	3,558,828	$ 398,153

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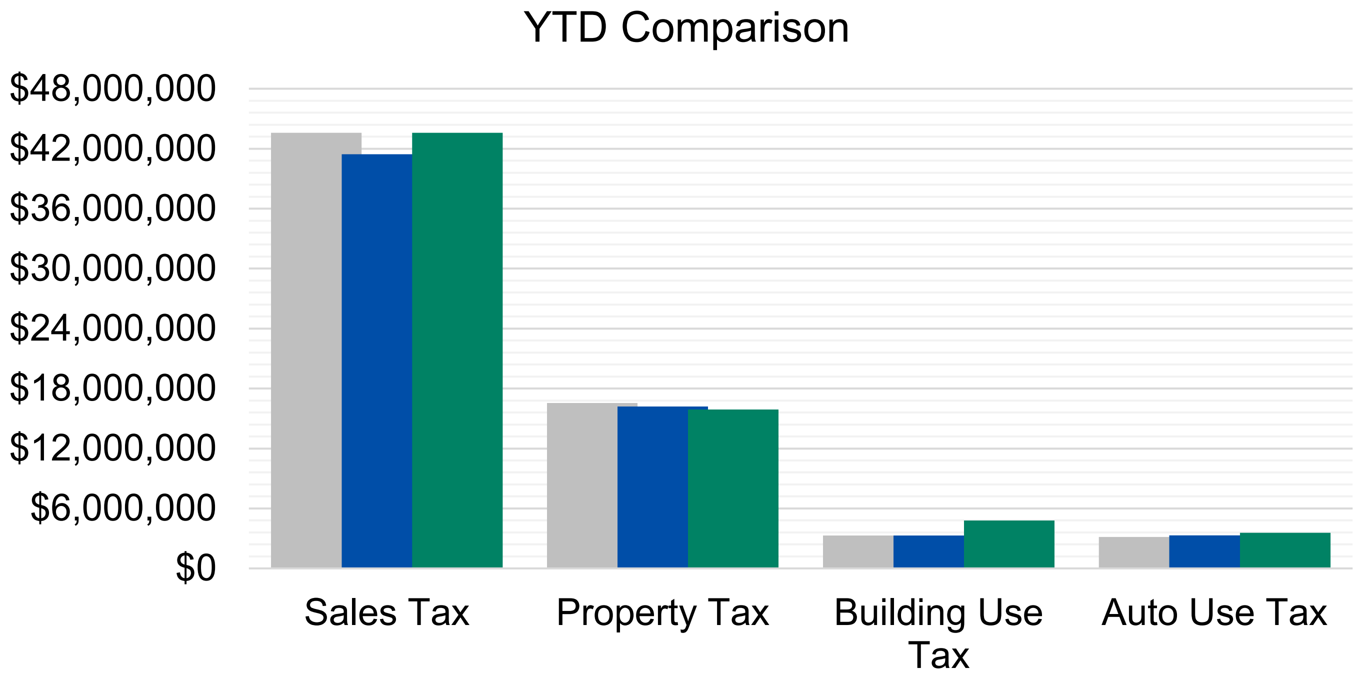
Tax Revenue Summary

Revenue collections through Q3 are in-line with forecast with some areas out-performing.

Uncertainty at the national policy level makes it challenging to forecast what impacts may occur at our local level. No changes have been made to the annual forecast at this time.



	Sales Tax	Property Tax	Building Use	Auto Use	TOTAL YTD
2024 YTD Actuals	$ 43,576,811	$ 16,515,308	3,296,082	3,160,675	$ 66,548,876
2025 YTD Budget	41,447,299	16,166,051	3,257,345	3,296,729	$ 64,167,423
2025 YTD Actuals	43,581,279	15,879,125	4,777,126	3,558,828	$ 67,796,358

Variance: '24 to '25 Actuals	4,468	(636,184)	1,481,044	398,153	1,247,481
	0%	-4%	45%	13%	2%

Variance: '25 Budget to Actuals	2,133,980	(286,927)	1,519,782	262,099	3,628,934
	5%	-2%	47%	8%	6%

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General Fund Expenses

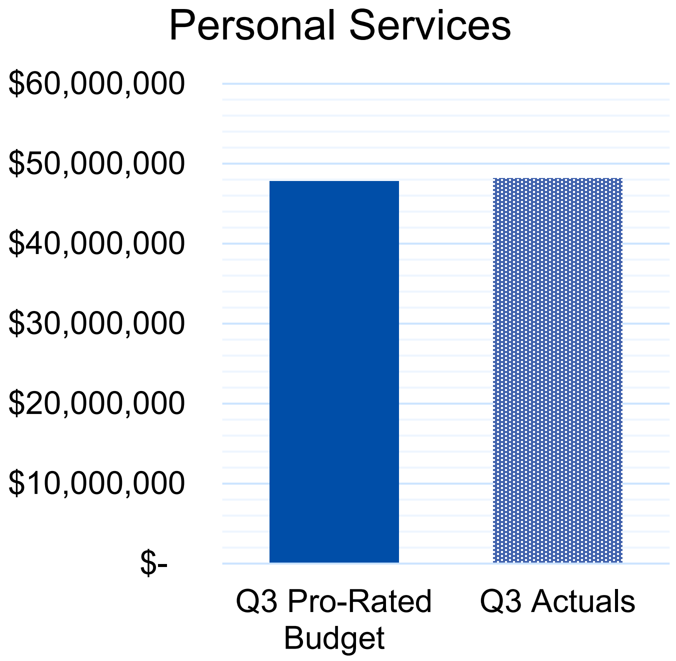
The General Fund is the primary account for funding day-to-day operations like public safety, operations & maintenance, and personnel costs.

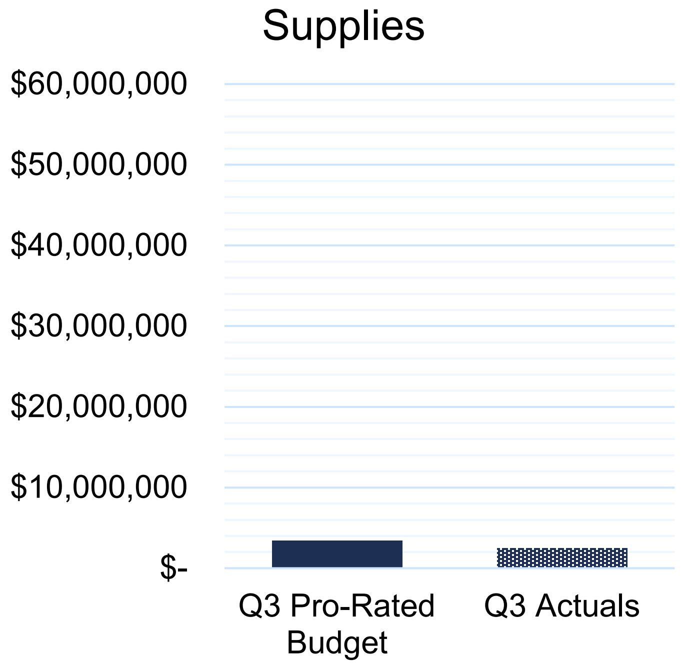
Expenses

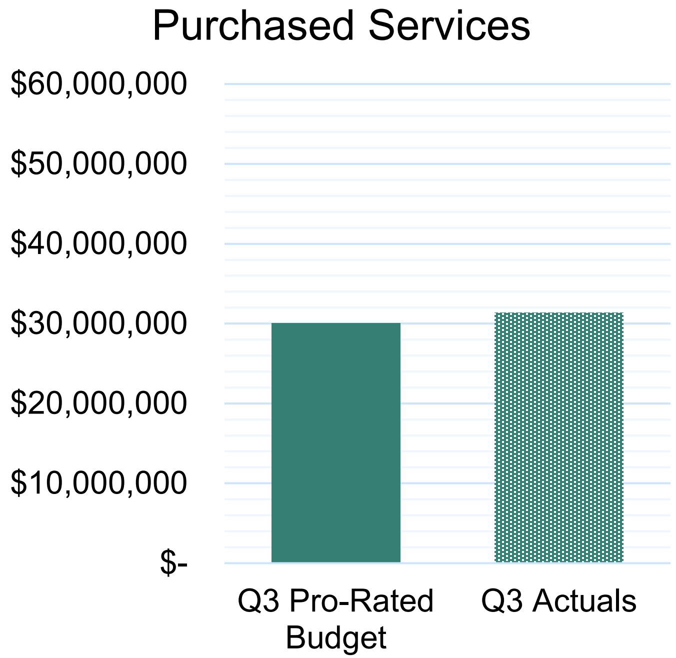
In this section we'll discuss General Fund **Expenses**. The expenses are broken out by the following expense classes:

- Personal Services
- Supplies
- Purchased Services

Expense by Class Through September 30







	Q3 Pro-Rated Budget	Q3 Actuals	$ Variance + / (-)
Personal Services	$ 47,820,422	$ 48,177,672	$ 357,251
Supplies	3,437,741	2,470,950	(966,791)
Purchased Services	30,056,939	31,385,080	1,328,140
	$ 81,315,102	$ 82,033,702	$ 718,600

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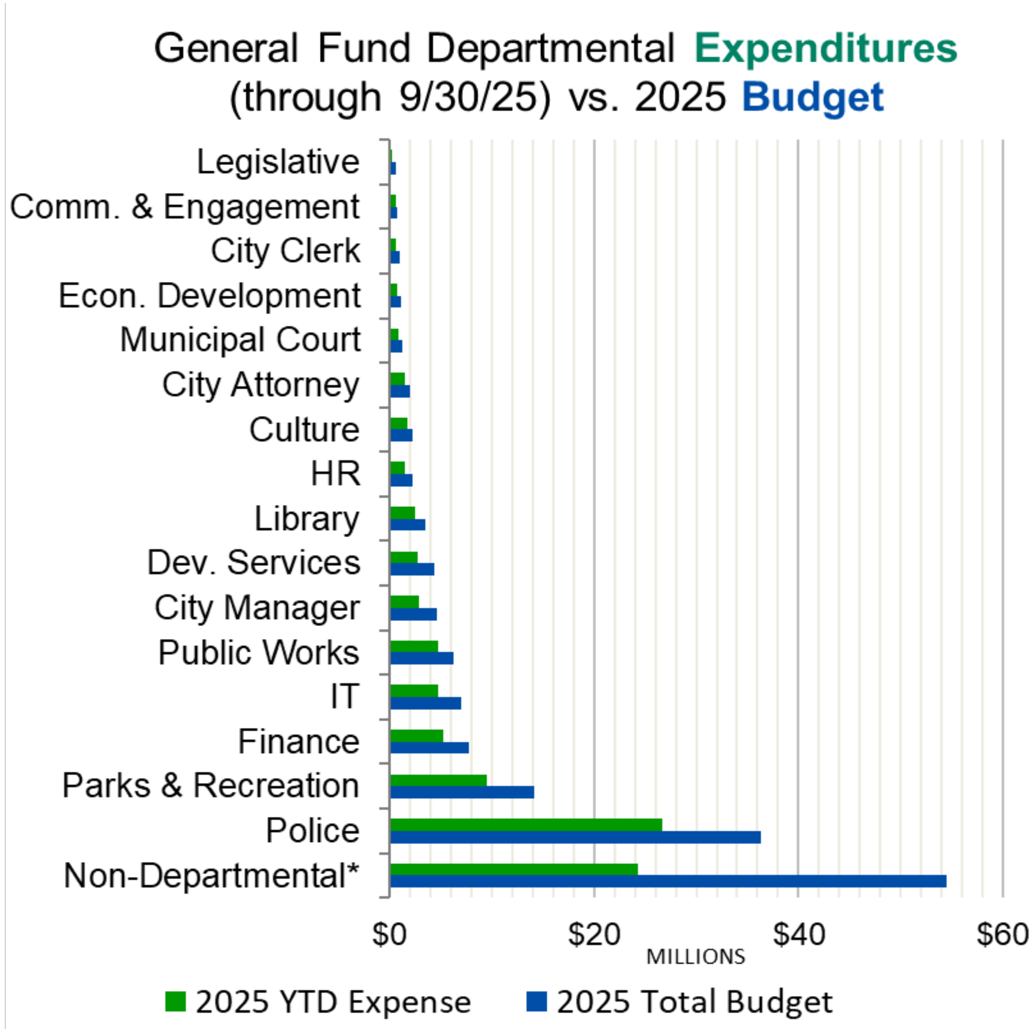
Expense by Department Through September 30



Department	2025 YTD Expense	2025 Total Budget	% of Budget Expensed
Legislative	$ 188,375	$ 557,089	34%
Comm. & Engagement	543,063	749,422	72%
City Clerk	623,495	959,772	65%
Econ. Development	677,965	1,105,395	61%
Municipal Court	872,210	1,162,770	75%
City Attorney	1,479,921	1,929,317	77%
Culture	1,656,688	2,159,770	77%
HR	1,441,537	2,249,434	64%
Library	2,482,781	3,473,115	71%
Dev. Services	2,676,779	4,309,268	62%
City Manager	2,882,173	4,562,280	63%
Public Works	4,751,602	6,278,732	76%
IT	4,696,605	6,931,385	68%
Finance	5,267,920	7,707,351	68%
Parks & Recreation	9,504,323	14,180,956	67%
Police	26,725,482	36,319,635	74%
Non-Departmental*	24,260,021	54,559,820	44%
Total General Fund	**$ 60,032,466**	**$ 149,145,510**	**40%**

75% of budget year elapsed

City of Loveland

* Non-Departmental includes LFRA and other transfers

General Fund Summary

Projects like new parks, facilities purchased for growth, utilities services etc. are not part of the general fund and are paid for by capital expansion fees, utility fees and more. The monies between funds are not interchangeable by law and must be used for specific purposes.

Summary

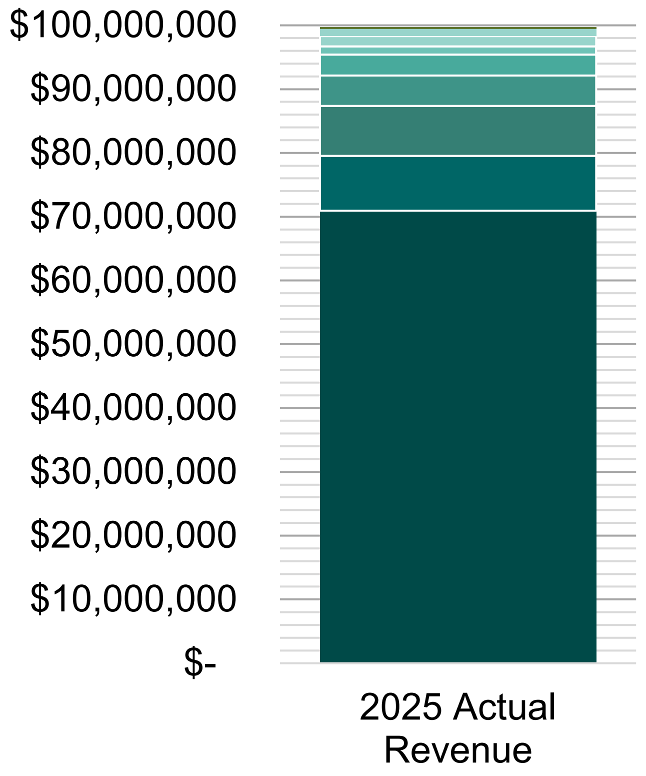
In this section we'll discuss the General Fund **Summary** to include:

- Combined Totals
- *Unassigned Fund Balance

**The portion of a governmental entity's general fund that is available for any purpose and is not restricted, committed, or assigned to specific purposes*

City of Loveland

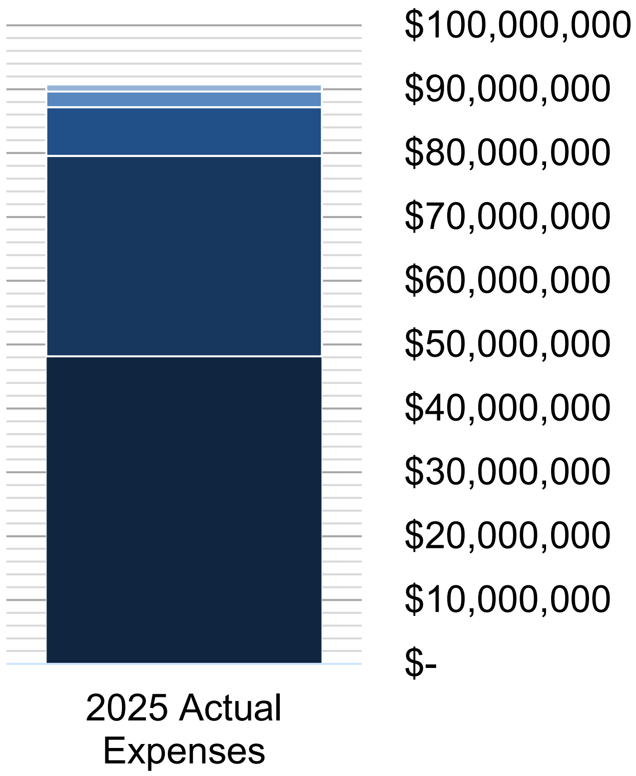
Combined Totals – ’25 Revenue & Expenses



Revenue Category	2025 Actuals
Intergovernmental (Fed, State, etc.)	$ 1,259,347
Licenses & Permits	3,300,323
Other	3,092,864
Charges for Services (External)	4,758,682
PILT	8,593,489
Cost Allocations (Internal)	7,810,893
Tax Revenue	70,955,428
Total GF Revenue	**$ 99,771,026**

Expense Category	2025 Actuals
Capital Outlay	$ 1,075,051
Supplies	2,470,950
Transfers	7,622,186
Purchased Services	31,385,080
Personal Services	48,177,672
Total GF Expense	**$ 90,730,939**

Net	**$ 9,040,087**



This “Net” variance does **not** represent available, unassigned fund balance or savings. Most of this amount is tied to capital projects that were previously approved and funded but have not yet incurred expenses.

City of Loveland

Remaining Unassigned Fund Balance

As of November 18, 2025

Total General Fund Balances	**$ 20,454,992**
15% General Fund Operating Reserve*	**$ 19,139,159**
Ending Unassigned General Fund Balance	**$ 1,315,833**

General Fund Unassigned Fund Balance	**FY2025**
General Fund Unassigned Fund Balance (Starting)	3,039,008
Ordinance No. 6802 - Additional LFRA Increase for FY2026	(94,775)
Pending Ordinances (not yet appropriated):	
2025 Citywide Year-End Budget Wrap-Up Package (First Reading November 18, 2025)	*(128,400)*
Unassigned Fund Balance Target Reserve (Fund Balance Policy)	*(1,500,000)*
Ending Unassigned General Fund Balance [A]	**$ 1,315,833**

*15% Fiscal Contingency Reserve is fully funded.

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Closeout

Closeout

In this section we'll **closeout** our General Fund discussion with:

- All Other Funds – YTD Summary
- Did You Know
- Budget Timeline
- Questions & Feedback
- Helpful Links

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All Other Funds – Year to Date Summary

September (Q3) FY2025 Year-to-Date Revenues & Expenses

		General Fund	Gen Gov COP	Economic Incentives	Community Housing Development	Foundry Garage	Transit	Capital Projects	Transportation
General Government Services	Year-to-Date Revenue	$ 99,771,026	$ 620,930	$ 28,901	$ 394,127	$ 432,246	$ 3,279,748	$ 5,047,922	$ 12,006,722
	Year-to-Date Expenses	$ 90,730,939	$ 896,941	$ 58,422	$ 503,489	$ 432,246	$ 3,279,748	$ 5,500,408	$ 22,366,705
	Surplus / (Deficit)	**$ 9,040,087**	**$ (276,011)**	**$ (29,521)**	**$ (109,362)**	**$ -**	**$ -**	**$ (452,486)**	**$ (10,359,983)**

		Parks & OL Special	CDBG	Lodging	PEG Fee	Fiber Network	CEF's
Special Revenue Funds	Year-to-Date Revenue	$ 6,001,099	$ 492,740	$ 1,364,929	$ 16,088	$ 5,907	$ 6,264,787
	Year-to-Date Expenses	$ 3,964,167	$ 425,121	$ 1,096,413	$ 5,676	$ 5,676	$ 5,189,863
	Surplus / (Deficit)	**$ 2,036,931**	**$ 67,619**	**$ 268,516**	**$ 10,413**	**$ 231**	**$ 1,074,924**

		Water Utilities	Wastewater Utilities	Power Utilities	PULSE	Stormwater	Solid Waste	Golf
Enterprise Funds	Year-to-Date Revenue	$ 72,110,666	$ 65,282,065	$ 79,939,561	$ 25,364,016	$ 14,482,025	$ 9,548,552	$ 6,398,262
	Year-to-Date Expenses	$ 22,908,084	$ 13,011,668	$ 80,909,319	$ 25,239,081	$ 13,578,631	$ 10,414,812	$ 4,687,537
	Surplus / (Deficit)	**$ 49,202,582**	**$ 52,270,396**	**$ (969,757)**	**$ 124,935**	**$ 903,394**	**$ (866,260)**	**$ 1,710,725**

		Fleet Replacement	Fleet Management	Risk	Employee Benefits
Internal Service Funds	Year-to-Date Revenue	$ 2,814,729	$ 5,178,661	$ 4,646,865	$ 14,357,341
	Year-to-Date Expenses	$ 1,544,211	$ 4,770,050	$ 4,001,218	$ 11,951,504
	Surplus / (Deficit)	**$ 1,270,518**	**$ 408,611**	**$ 645,647**	**$ 2,405,837**

		LLBA	GID	PD Training	DDA	SID	Airport	LURA	Fire
Other Entities	Year-to-Date Revenue	$ 389,997	$ 78,342	$ 319,502	$ 14,379,443	$ 466,419	$ 1,564,673	$ 23,025,300	$ 26,862,572
	Year-to-Date Expenses	$ 409,936	$ 2,442	$ 154,581	$ 2,268,222	$ 517,507	$ 1,586,254	$ 22,368,588	$ 26,158,296
	Surplus / (Deficit)	**$ (19,938)**	**$ 75,900**	**$ 164,921**	**$ 12,111,222**	**$ (51,089)**	**$ (21,581)**	**$ 656,712**	**$ 704,276**

Budget Timeline

Budget Adoption 2nd Reading	Quarter 3 Financial Update	Year-End Wrap Up 1st Reading	Year-End Wrap Up 2nd Reading	October Revenue Review
October 21, 2025	December 2, 2025	December 2, 2025	December 2, 2025	December 16, 2025
Regular Meeting	Regular Meeting	Regular Meeting	Regular Meeting	Regular Meeting

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Public Comment & Council Questions

Helpful Links

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Sales Tax Collections: Geographical Area Cash Basis

https://www.lovgov.org/services/finance/sales-tax/reports

Sales Tax Collections by Industry Code

https://www.lovgov.org/services/finance/sales-tax/reports

Building Permits Link

https://www.lovgov.org/services/development-services/building-division/policies-reports

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Activity Measures

Measures	Sept '23	Sept '24	Sept '25	2023 YTD	2024 YTD	2025 YTD
Governmental Measures						
# of Building Permits	334	892	320	2,658	3,994	3,175
$ Building Permit Valuations	45,758,648	30,066,128	22,834,930	339,174,046	360,002,753	386,923,217
# of Certified Occupancies	31	38	30	318	262	262
Net # of Sales Tax Licenses	28	(41)	29	92	90	8
$ of Lodging Tax Collected	134,344	162,657	146,402	1,014,724	1,112,009	1,074,524
Sales & Use Tax System Receipts (SUTS)	278,679	382,405	772,760	2,168,046	3,718,997	4,828,536
Enterprise Measures						
New Residential Electric Meter Sets	29	40	20	355	239	276
# of Utility Bills Sent	44,075	45,466	45,851	393,828	404,965	411,168
Peak Electric Demand (kW)	141,727	139,993	124,654	1,057,760	1,080,819	1,096,085
Energy Purchased from PRPA (kWh)	60,902,560	62,014,122	60,571,665	550,793,220	562,396,852	571,559,730
Gallons of Water Sold	506,373,869	577,027,751	551,255,532	2,462,155,807	3,041,381,692	2,917,409,459
Rounds of Golf	20,433	19,002	18,231	130,867	133,609	137,214
Internal Measures						
# of Workers' Comp Claims	974	1,207	1,268	10,122	9,503	10,395
$ of Workers' Comp Claims	9	9	9	108	79	88
# of Total Open Claims	21,947	33,749	32,253	*Not Cumulative*		
$ of Total Open Claims	16	19	19	*Not Cumulative*		

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