

ANNUAL
COMPREHENSIVE
FINANCIAL
REPORT



2023

City of Loveland, CO

For the Year
December 31, 2023



City of Loveland, Colorado

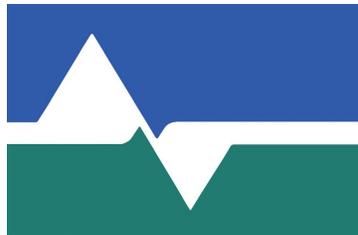
Annual Comprehensive Financial Report

For the fiscal year ended
December 31, 2023

Submitted by
City Manager - Stephen C. Adams **
Chief Financial Officer - Brian Waldes

Prepared by the Finance Department

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** City Council accepted the City Manager's resignation effective February 2, 2024. Deputy City Manager Rod Wensing is now serving as Interim City Manager.

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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

CITY OF LOVELAND

FINANCE DEPARTMENT

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

June 26, 2024

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, 2023. 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.

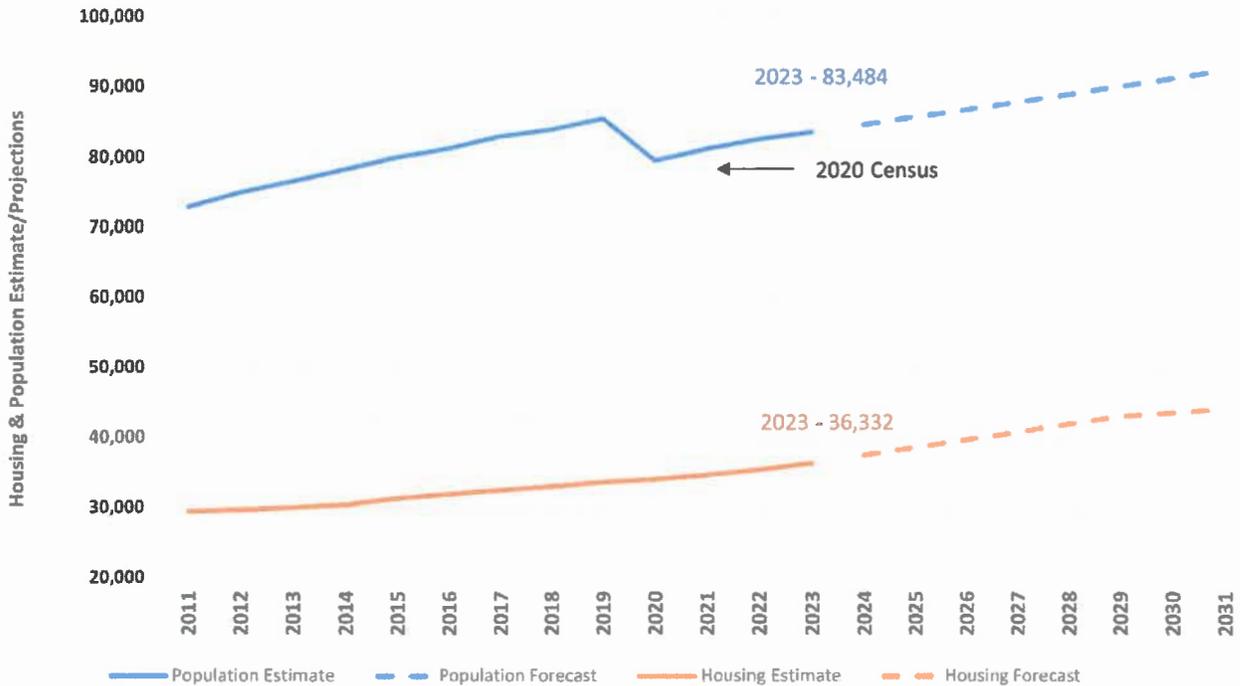
We, as the representatives of Management assume full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that have been established for this purpose. Because the cost of internal controls should not 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, 2023. 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 83,484 representing approximately 36,332 households.

City of Loveland Population & Housing



Source: City of Loveland, Colorado
Data and Assumptions Report

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 the City Council meetings and has an equal vote 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, Arts 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 jointly provides services mainly 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 budget is required to be submitted to City Council by the first Tuesday of October each year, unless City Council sets a different date. It is required to include the capital improvements for the budget year plus an additional four years, however, a 10-year capital improvement program is included. It 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 and two readings of applicable budget ordinances, followed by a majority "yes" vote by the City Council present with at least a quorum in attendance and on second reading a majority of the nine members of Council, adopts the budget, setting 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 advanced manufacturing, construction, agricultural, distribution centers including a 3.9 million square foot Amazon fulfillment center, and the healthcare industry. 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 will continue to expand.

According to Colorado Department of Labor and Employment data, the local unemployment rate at the end of 2023 was 2.9%, which is for the Fort Collins-Loveland metropolitan statistical area. The area compared favorably to the state rate of 3.3%.

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. Future projects are designed to create a more attractive and vibrant downtown in Loveland. One of the projects, Heart Improvement Project (HIP) Streets, will create a vastly improved pedestrian experience and better walkability for our historic downtown area. The Draper project will add retail and housing along with a parking garage to downtown Loveland. City efforts continue to position Loveland as the front runner in Northern Colorado to attract new businesses.

Reimbursement requests from the flood event of September 2013 continued into 2023. Total recovery expenditures as of December 31, 2023 were \$40,953,858. Reimbursements received from various federal, state and other disaster relief granting entities as well as the City's insurer total \$30,599,694 to date. Although no additional reimbursements were received in 2023, the City will continue to receive reimbursements on recovery expenditures. It is important to note that there is a 12.5% match for all FEMA and State reimbursements; a 20% match for Federal Highway Authority grants; and a \$200,000 insurance deductible. The City's cash match was approximately \$4,207,000.

Long-Term Financial Planning

The City of Loveland prepares a 10-Year Financial Master Plan and Capital Improvement Plan with the operational impact of the capital projects linking the two plans together. They are dynamic documents, updated at least annually. The City's target is to meet all anticipated expenditure obligations and reserve targets leaving resources that flow through to the next year within the first five years.

The 2024 Financial Master Plan anticipates small growth in key revenues for 2024. However, the City is proceeding cautiously forecasting beyond 2024 due to the revocation of sales taxes on food and a potential recession. Expenditures are anticipated to grow modestly over the next three years with the recent completion of the Citywide Compensation Study. Public Safety continues to be a high priority for City Council and majority of the increase in expenditures can be attributed to this area.

Major Initiatives

The completion of the main build out of Pulse, the City of Loveland's Municipal Fiber Network was one of the most significant projects in 2023. Another major initiative 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. Expected completion date of the project is 2026.

Three major capital projects were completed in 2023: Fire Station #10 for \$7.5 million, Green Ridge Glade Reservoir bypass pipe for \$2.4 million, and the Horseshoe Substation Switchgear for \$1.8 million.

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, 2022. This was the 43rd consecutive year that the City has received this prestigious award. In order 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, 2022. This was the ninth consecutive year that the City has received this prestigious award. In order 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 2024. It is the 41st consecutive year that the City will have received the budget presentation award. In order 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 2023 Annual Comprehensive Financial Report.

Respectfully Submitted,



Rod Wensing
Acting City Manager



Brian Waldes, 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.



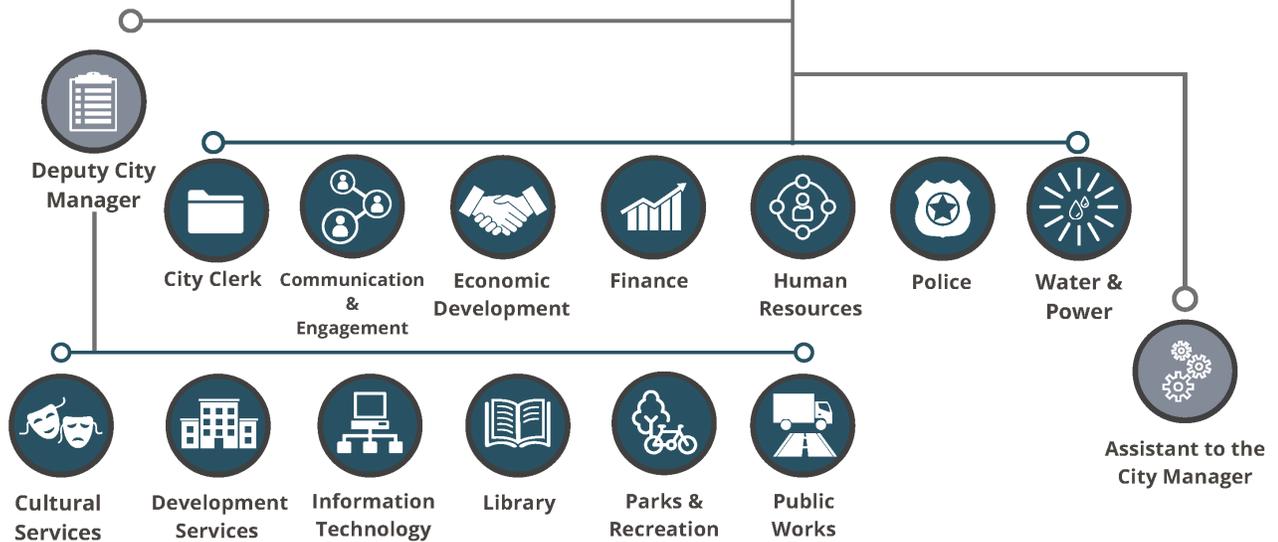
City Attorney
Moses Garcia



City Manager
Steve Adams



Municipal Judge
Geri Joneson



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, 2022

Christopher P. Morrill

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, 2023 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, 2023 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.

Other 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 opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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, 2024 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.



June 26, 2024

Management's Discussion & Analysis

The City of Loveland offers the readers of the City's financial statements this narrative overview and analysis of the financial activities for the fiscal year ending December 31, 2023. In addition to this overview and analysis, readers are encouraged to consider the information presented in the letter of transmittal and the City's financial statements, beginning on pages 5 and 28 respectively. Historically, the City's approach to financial management has been conservative. The hallmarks of the approach have been conservative revenue projections, operating and capital expenditures planning with contingencies for unforeseeable events, and a strong preference for using pay-as-you-go financing for major capital projects. Since the COVID-19 Pandemic, the City strives to catch up to continued growth in the region. Bond issues have been used for water and water reclamation facility expansions and lease financing was used for improvements in the downtown area. Bond issues have also been used for the financing of a municipal fiber system for the City and to participate in the construction of a reservoir at Chimney Hollow. In addition, the City has made strategic investments with regional partners for major transportation improvements. Over the last few years, use of accumulated reserves has supported these important investments. The Loveland City Council adopted a comprehensive Fund Balance and Reserve policy to address fund balance and reserve requirements at the fund level in February 2019.

FINANCIAL HIGHLIGHTS

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows at the close of 2023 by \$1,470,679,362 (net position). This amount is comprised of \$699,195,153 in Governmental Activities and \$771,484,209 in Business-type Activities. Of the net position amount, \$210,523,939 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 \$89,032,485 from the prior year, of which \$37,740,783 is attributable to governmental activities and \$51,291,702 to business-type activities.
- At the close of 2023, the City's governmental activities reported a combined ending fund balance of \$161,381,837, which is an increase of \$10,864,824 from prior year; \$54,166,756 of the balance is unassigned.
- At the close of 2023, the General Fund unassigned fund balance was \$55,616,388 or 50% of total General Fund operating expenditures. This is \$5,580,259 higher than at the close of 2022.
- The City's outstanding debt of \$181,740,454 at the end of 2023 decreased by \$4,112,942. This decrease is due primarily to the debt payments made in 2023.

MAJOR INITIATIVES AND IMPACTS

The City's General Fund Balance was \$63,163,203 at the close of 2022, and \$62,442,538 at the close of 2023. This is a total decrease of (\$720,665). This draw-down in fund balance was in line with planned capital projects. The General Fund ended FY2023 in a sound fiscal position, however, FY2024's forecast has been significantly impacted by the loss of sales tax revenue on food for home consumption.

The General Fund operating revenue decreased from \$121,658,483 in 2022 to \$119,898,865 in 2023. This decrease can be attributed in part to reductions in building permit fees and in building use tax collections.

The City is currently in the process of redefining our service levels to ensure that they are in alignment with the changes in our revenue model and available resources.

Completion and/or Continuation Of Major Capital Projects in 2023:

- 1. Municipal Fiber:** Branded as Pulse, Municipal Fiber is a City owned utility connecting the Loveland community and surrounding areas by offering affordable, reliable and fast internet, Wi-Fi, voice and TV service through a 100% fiber-optic network. Pulse construction was completed in 2023 and is available to all residents and businesses within the City of Loveland. Pulse provides additional choice in the market for broadband services needs of Loveland and surrounding community. Budget - \$86.7 million; 2023 cost-to-date- \$83.4 million.
- 2. Chimney Hollow Reservoir:** A collaboration between 12 Northeastern Colorado water providers to improve the reliability of the 1985 Windy Gap Project which is operated by Northern Water's Municipal district. The firming project will build a new East Slope reservoir called Chimney Hollow 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. Budget - \$83.3 million; 2023 cost-to-date- \$75.7 million. The City's share of the project financing for this project was included in the 2021 budget and the actual financing and construction of the project was started in 2021. All legal issues impacting the construction of the reservoir have been resolved.
- 3. Fire Station #10:** This Fire Station was added to the eastern response area of Loveland Fire Rescue Authority and serves the needs of eastern Loveland. The total cost of this project was \$7.5 million.
- 4. Water Pump Station P2:** This pump station is being constructed to enhance the water pressure needs for northwest Loveland. Budget \$7.3 million, 2023 cost-to-date \$5.9 million.
- 5. Garfield and Harrison Outfall:** This project will reduce flooding problems in this area and the project includes the installation of an underground storm drainage system. Budget \$4.5 million, 2023 cost-to-date \$3.4 million.

Impacts of the 2013 Flood:

On September 11, 2013, extended steady rainfall caused extensive flooding throughout northern Colorado, including the Big Thompson River, which flows through the City of Loveland. Due to zoning changes that were brought forward by the City in the late 1970's (in response to the flood in 1976), residential and commercial development in the flood zone was prohibited; however, damage to City facilities was extensive. Costs for these projects will be reimbursed in large part by the Federal Emergency Management Agency (FEMA), the State of Colorado, and the Federal Highway Administration (FHWA), however the City was required to fund all flood response and recovery projects out of cash on hand. The State of Colorado, who is administering the funds for FEMA, holds 10% of all projects until they are closed out by FEMA. The City has met this withholding percentage on all but a few small projects. The 10%, and the small few that have not hit that withholding percentage yet, will be paid when the project is closed out by FEMA. As of December 31, 2023, the City incurred recovery expenses of \$40.9 million and received total reimbursements of \$30.6 million. The City is still expecting to receive \$2.2 million from closeouts on FEMA projects over the next several years. Money received to date is broken out as follows:

FEMA	\$	18,010,551
Insurance	\$	7,304,825
Other	\$	5,284,318

Softening Growth in Sales Tax:

The City had been experiencing some growth in sales tax revenue stream in previous years, but showed a decrease in 2023. Prior to 2023, the last five years averaged 6.42% growth annually. The City's sales tax rate

was set at 3% in 1984 and has not changed since that time. Because sales tax is the City’s single largest General Fund revenue stream, sales tax growth changes are closely monitored. In 2023, sales tax comprised 49.8% of total General Fund revenues but experienced negative growth for the first time in ten years. Sales Tax revenue is expected to dip in the coming years due to the elimination of sales tax on food for home consumption beginning January 2024.

Sales Tax History*
(net of TIF Revenue)

Year	Total General Fund Revenue	General Fund Sales Tax (net of TIF sales tax)	Sales Tax % of Total GF Revenue	Sales Tax % Growth
2014	74,694,486	39,360,657	52.7%	0.0%
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	119,898,833	59,690,366	49.8%	-0.4%

*This table is based on the actual sales tax numbers. 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 spending. 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 outside of the government. This information should be read 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 off or worse off as a result of the year’s activities?” The Statement of Net Position and the Statement of Activities report information about the City as a whole and its activities in a way that helps answer this question. These statements include 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.

These two statements 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 the City's net position provide an indicator of whether its 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 finance most of these activities.
- **Business-Type Activities**—The City charges a fee to customers to help cover all or most of the cost of certain services it provides. The City's electric & communications, water, wastewater, stormwater, solid waste collection, and golf operations are reported here.

Reporting the City's Most Significant Funds **Fund Financial Statements**

The Fund Financial Statements provide detailed information about the most significant funds—not the City as a whole. Some funds are required to be established by State law. However, the City Council establishes many other funds to help it control and manage financial resources for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other monies (i.e.- Capital Expansion Fees). The City's two types of funds—governmental and proprietary—use different accounting methods.

- **Governmental Funds**—Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental Fund information can be used to determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's 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 all activities are reported in the Statement of Net Position and the Statement of Activities. 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. The Internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds are provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

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

All of the City's fiduciary activities are reported separately from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used 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 \$1,470,679,362 as of December 31, 2023.

Net Position

Combined net position of the City of Loveland at December 31, 2023 were as follows:

CITY OF LOVELAND, COLORADO STATEMENT OF NET POSITION

	Governmental Activities		Business-Type Activities		Total		Total % of Change
	2023	2022	2023	2022	2023	2022	
Current and other assets	\$ 276,988,185	\$ 260,927,021	\$ 165,998,626	\$ 167,561,628	\$ 442,986,811	\$ 428,488,649	3.4%
Capital assets	532,523,190	507,571,332	808,496,964	762,981,907	1,341,020,154	1,270,553,239	5.5%
Total Assets	809,511,375	768,498,353	974,495,590	930,543,535	1,784,006,965	1,699,041,888	5.0%
Deferred Outflows of Resources	217,659	101,700	257,725	241,843	475,384	343,543	38.4%
Total Assets and Deferred Outflows of Resources	809,729,034	768,600,053	974,753,315	930,785,378	1,784,482,349	1,699,385,431	5.0%
Long-term liabilities	41,404,574	37,409,963	173,938,829	178,074,585	215,343,403	215,484,548	(0.1)%
Other liabilities	29,102,695	33,890,762	29,330,277	32,518,286	58,432,972	66,409,048	(12.0)%
Total Liabilities	70,507,269	71,300,725	203,269,106	210,592,871	273,776,375	281,893,596	(2.9)%
Deferred Inflows of Resources	40,026,612	35,844,958	-	-	40,026,612	35,844,958	11.7%
Total Liabilities and Deferred Inflows of Resources	110,533,881	107,145,683	203,269,106	210,592,871	313,802,987	317,738,554	(1.2)%
Net Position:							
Net investment in capital assets	498,833,003	477,176,229	641,781,131	592,286,050	1,140,614,134	1,069,462,279	6.7%
Restricted-Nonspendable	3,723,882	3,478,213	-	-	3,723,882	3,478,213	7.1%
Restricted	48,180,616	50,807,500	67,636,791	60,577,669	115,817,407	111,385,169	4.0%
Unrestricted	148,457,652	129,992,428	62,066,287	67,328,788	210,523,939	197,321,216	14.1%
Total Net Position	\$ 699,195,153	\$ 661,454,370	\$ 771,484,209	\$ 720,192,507	\$ 1,470,679,362	\$ 1,381,646,877	6.7%

As of December 31, 2023, the City is able to report positive balances in all three categories of net position, both for the City as a whole and the separate Governmental and Business-Type Activities. The same situation held true for the prior fiscal year.

The \$442,986,811 current and other assets include \$342,529,071 in general and restricted cash and investments. The restricted balance of cash and investments is \$96,809,744 for acquisition or construction of future capital assets or the payment of debt.

The largest portion of the City's total net position (77.6%) 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 2023 includes Certificates of Participation of \$14,390,000, compensated absences of \$6,920,039, oversizing agreements of \$708,204, financing agreements of \$11,313,893, pollution remediation of \$1,130,000, and a loan agreement with a balance of \$1,000,000. In Business-Type Activities, Municipal Fiber bonds of \$83,765,000 excluding the premium, issued in 2019 and the Raw Water debt for Chimney Hollow of \$49,665,000 excluding the premium, issued in 2021 make up the

majority of the outstanding debt balance. The remaining debt in Business-Type activities is made up of compensated absences of \$2,146,506, oversizing agreements of \$454,213, ARO liability for Hydro, \$732,678, ARO liability for Solar, \$350,000 and water and wastewater bonds of \$2,060,000 and \$17,900,000 respectively.

Changes in Net Position

Revenues and transfers in 2023 of \$423,558,150 exceeded program expenses of \$334,525,665 for an increase in net position of \$89,032,485. This increase includes \$29,185,892 from contributed assets and revenue restricted for capital spending. The remaining \$59,846,593 represents the amount of on-going revenues and additional revenues from rate increases exceeding operating expenses. Descriptions of significant activities for Governmental and Business-Type follow on the next table.

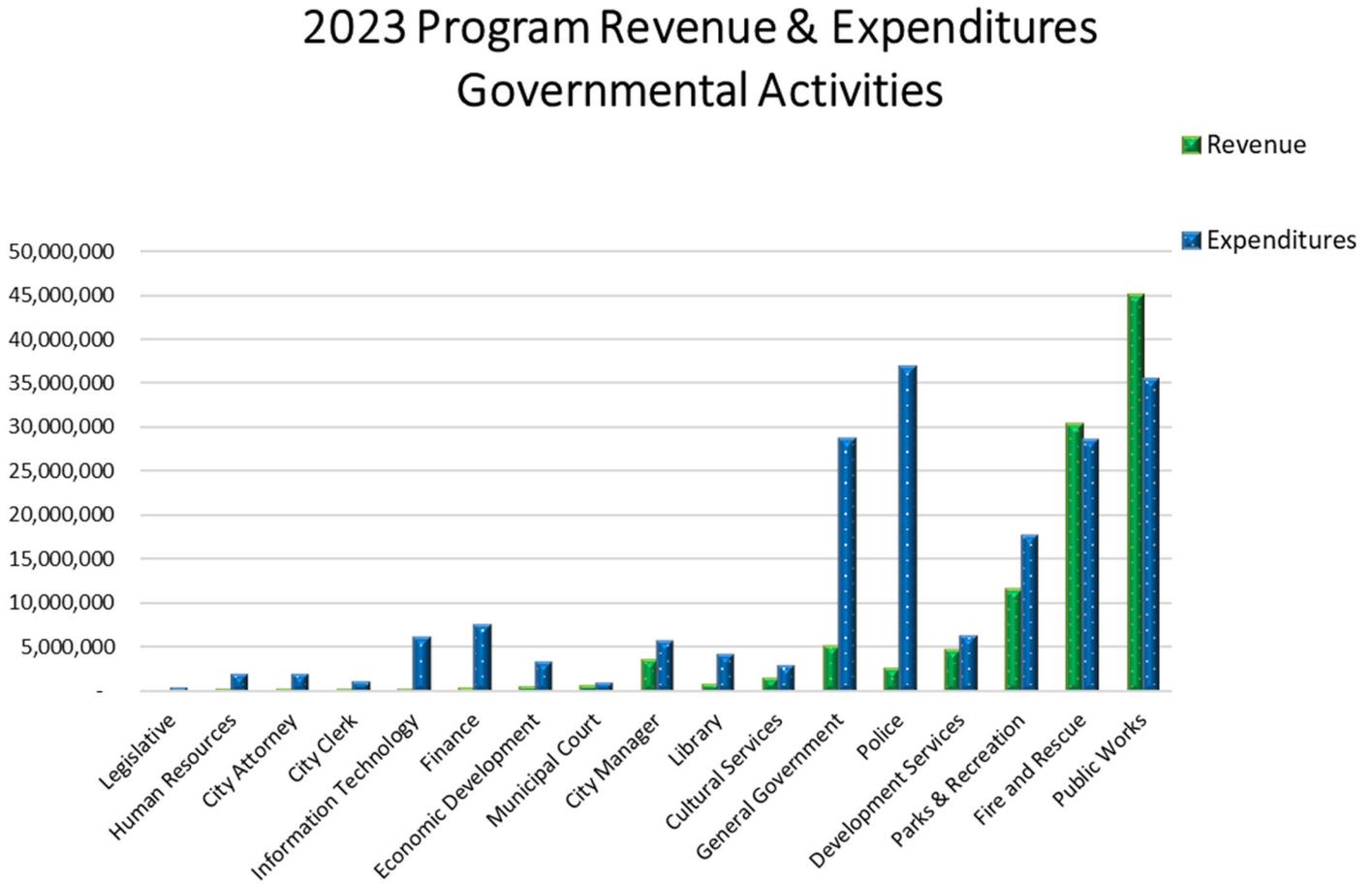
CITY OF LOVELAND, COLORADO CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Total		% Change
	2023	2022	2023	2022	2023	2022	
Program Revenue							
Charges for service	\$ 49,381,470	\$ 45,152,272	\$ 159,344,654	\$ 152,349,480	\$ 208,726,124	\$ 197,501,752	5.7%
Operating							
grants/contributions	36,987,125	25,771,719	1,531,595	222,226	38,518,720	25,993,945	48.2%
Capital grants/contributions	19,511,232	24,216,319	31,050,807	33,106,233	50,562,039	57,322,552	(11.8)%
General Revenues:							
Property Taxes	33,721,985	32,611,983	-	-	33,721,985	32,611,983	3.4%
Sales and Use Taxes	74,862,546	84,226,885	-	-	74,862,546	84,226,885	(11.1)%
Franchise and Other Taxes	3,385,142	4,363,130	-	-	3,385,142	4,363,130	(22.4)%
Investment Earnings (Loss)	7,719,307	(5,710,647)	5,412,072	(5,465,459)	13,131,379	(11,176,106)	(217.5)%
Other	622,204	102,157	28,011	210,023	650,215	312,180	108.3%
Total Revenues	226,191,011	210,733,818	197,367,139	180,422,503	423,558,150	391,156,321	8.3%
Program Expenses:							
City Manager	5,597,646	4,647,058	-	-	5,597,646	4,647,058	20.5%
Legislative	187,949	204,159	-	-	187,949	204,159	(7.9)%
City Attorney	1,864,301	1,576,442	-	-	1,864,301	1,576,442	18.3%
City Clerk	896,384	722,062	-	-	896,384	722,062	24.1%
Municipal Court	802,183	770,627	-	-	802,183	770,627	4.1%
Finance	7,481,127	6,836,546	-	-	7,481,127	6,836,546	9.4%
Human Resources	1,833,275	1,842,468	-	-	1,833,275	1,842,468	(0.5)%
Information Technology	6,029,139	7,478,684	-	-	6,029,139	7,478,684	(19.4)%
Economic Development	3,195,919	2,809,222	-	-	3,195,919	2,809,222	13.8%
Development Services	6,232,895	5,886,993	-	-	6,232,895	5,886,993	5.9%
Public Works	35,287,336	34,186,621	-	-	35,287,336	34,186,621	3.2%
Police	36,815,324	28,705,018	-	-	36,815,324	28,705,018	28.3%
Fire & Rescue	28,489,609	25,025,382	-	-	28,489,609	25,025,382	13.8%
Parks & Recreation	17,600,926	16,953,694	-	-	17,600,926	16,953,694	3.8%
Library	4,089,707	3,767,653	-	-	4,089,707	3,767,653	8.5%
Cultural Services	2,791,485	2,969,843	-	-	2,791,485	2,969,843	(6.0)%
General Government	28,578,929	27,756,133	-	-	28,578,929	27,756,133	3.0%
Interest on Long Term Debt	1,108,672	943,227	-	-	1,108,672	943,227	17.5%
Water	-	-	21,234,148	22,850,592	21,234,148	22,850,592	(7.1)%
Wastewater	-	-	15,379,506	14,949,490	15,379,506	14,949,490	2.9%
Stormwater	-	-	5,825,855	5,219,200	5,825,855	5,219,200	11.6%
Electric & Communications	-	-	88,171,791	83,313,318	88,171,791	83,313,318	5.8%
Solid Waste	-	-	10,636,242	9,289,271	10,636,242	9,289,271	14.5%
Golf	-	-	4,395,317	4,194,191	4,395,317	4,194,191	4.8%
Total Expenses	188,882,806	173,081,832	145,642,859	139,816,062	334,525,665	312,897,894	6.9%
Increase in net position before transfers	37,308,205	37,651,986	51,724,280	40,606,441	89,032,485	78,258,427	13.8%
Transfers	432,578	452,734	(432,578)	(452,734)	-	-	-%
Increase in net position	37,740,783	38,104,720	51,291,702	40,153,707	89,032,485	78,258,427	13.8%
Net Position - Beginning	661,454,370	625,615,908	720,192,507	680,038,800	1,381,646,877	1,305,654,708	5.8%
Prior Period Adjustment	\$ -	\$ (2,266,258)	\$ -	\$ -	\$ -	\$ (2,266,258)	-%
Net Position-Beginning, as restated	\$ 661,454,370	\$ 623,349,650	\$ 720,192,507	\$ 680,038,800	\$ 1,381,646,877	\$ 1,303,388,450	6.0%
Net Position - Ending	\$ 699,195,153	\$ 661,454,370	\$ 771,484,209	\$ 720,192,507	\$ 1,470,679,362	\$ 1,383,913,135	6.3%

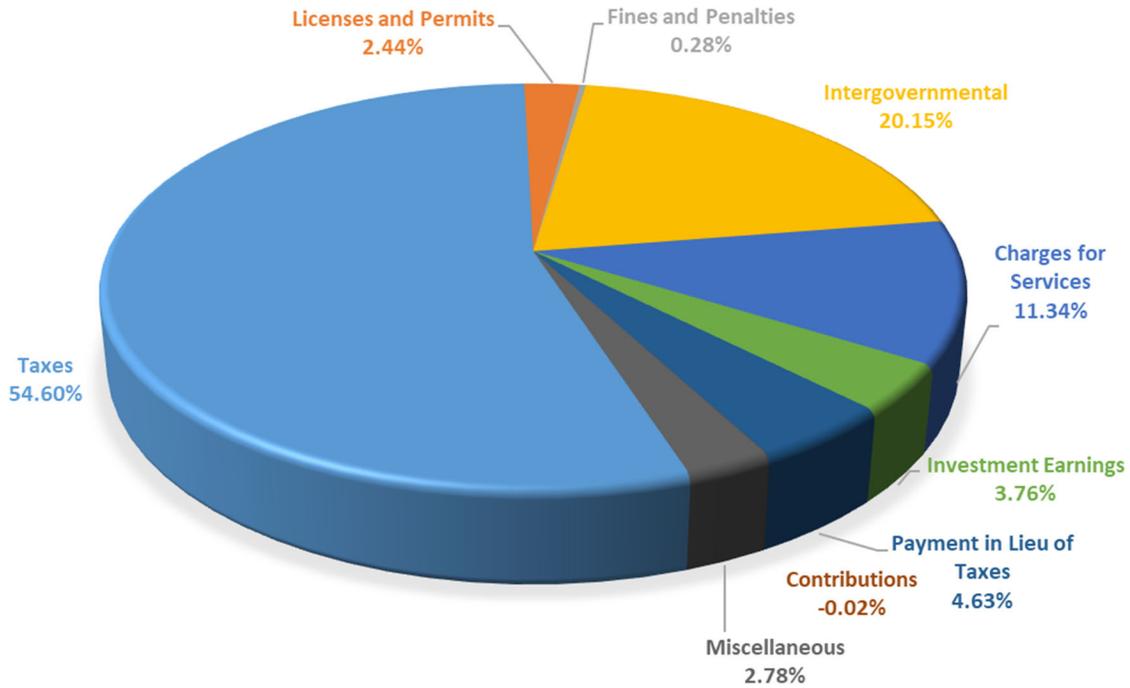
Governmental Activities

Governmental Activities increased the City’s net position by \$37,740,783. Earnings on investments increased in 2023 by 2352% from \$(5,710,647) in 2022 to \$7,719,307 in 2023. 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 losses. The investment gains will only arise if the investments are sold prior to their maturity date. Property tax revenue also increased in 2023 by \$1,110,002.

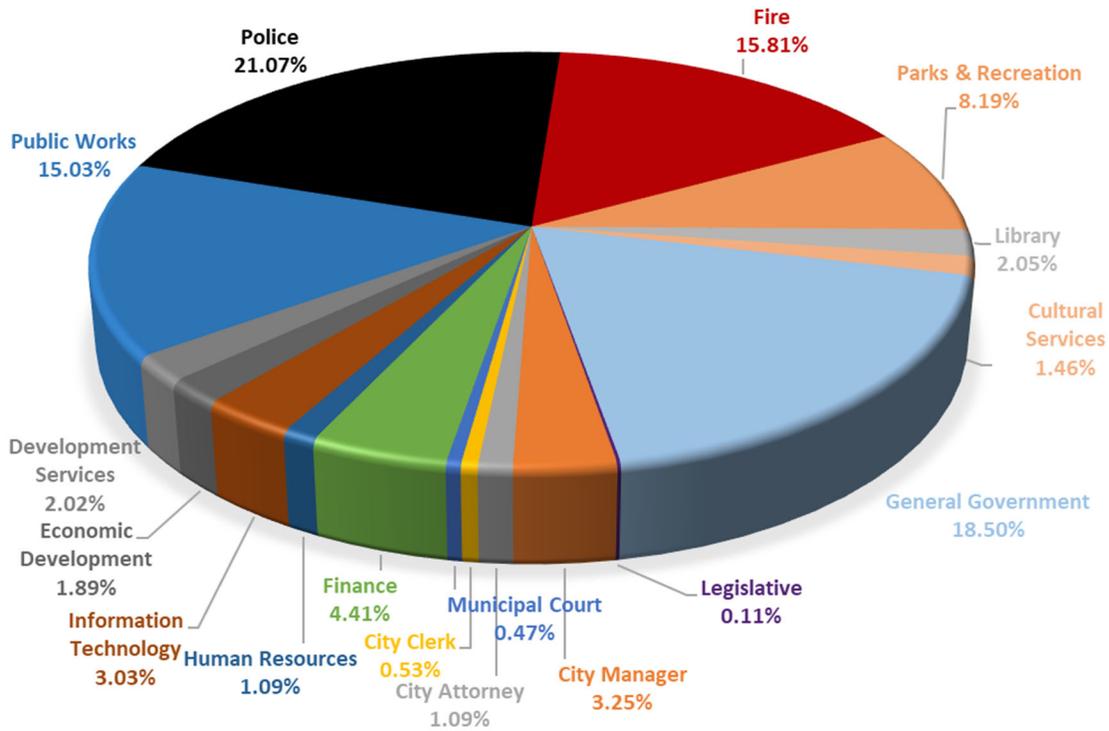
The following graph compares program revenues and expenditures of Governmental Activities in 2023, illustrating the majority of expenditures are related to public services and safety.



Revenue by Source Governmental Funds



Expenditure by Source Governmental Funds



Business-Type Activities

Business-Type Activities include the city-owned utilities: Water, Electric & Communications, Wastewater, Stormwater, Solid Waste collection, recycling services, and three municipal golf courses. 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 fund expansion as needed. In developing areas, system improvements such as water and wastewater lines are built by the developer and contributed to the City.

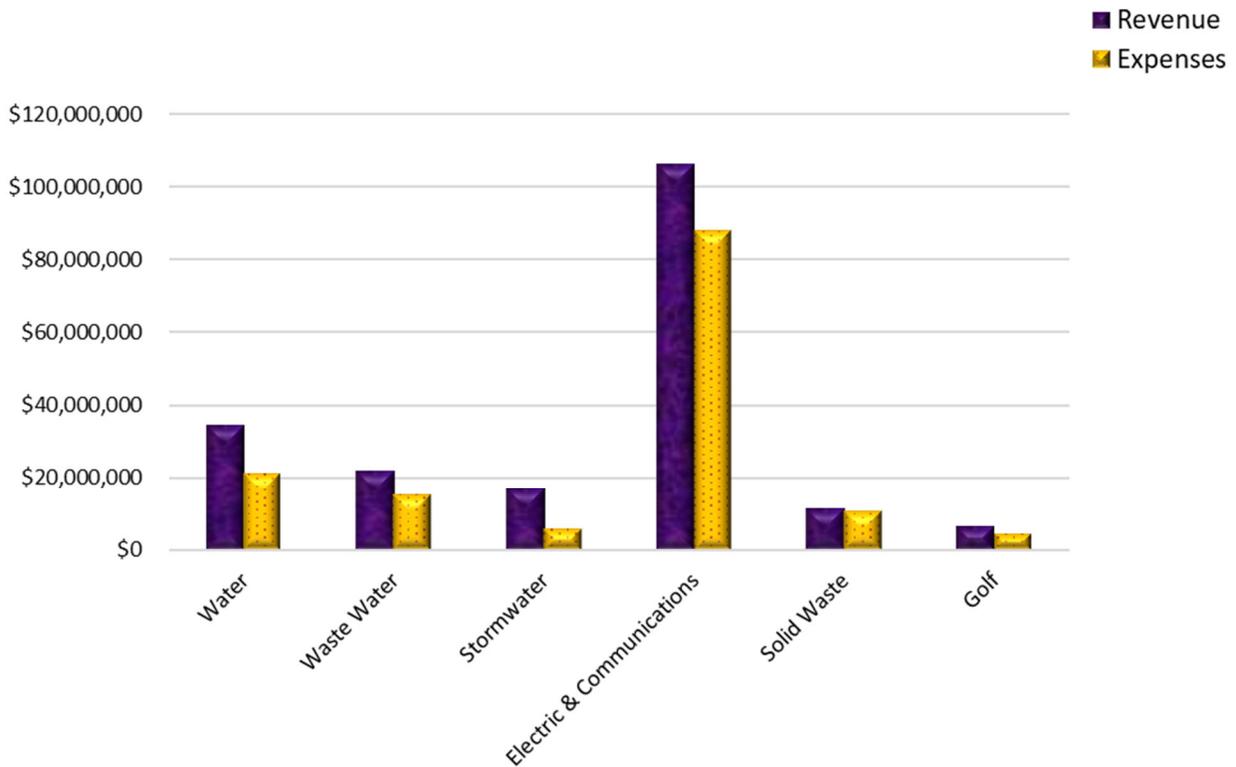
In the graph below, all activities had higher revenues in comparison to expenses.

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

For year-end 2023, net position for the Business-Type Activities increased by \$51,291,702. Earnings on investments increased from \$(5,465,459) in 2022 to \$5,412,072 in 2023 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.

All expenses in each fund in the business-type activities increased from the prior year except for the Water fund.

**2023 Program Revenues & Expenses
Business-Type Activities**



THE CITY'S FUNDS

Information on the City's major governmental funds begins on page 31. These funds are accounted for using the modified accrual basis of accounting. Overall, the balances of these funds increased by \$10,864,824, and the City ended the year with a combined fund balance of \$161,381,837.

The City's Governmental Funds collected revenue over the constitutional limits (TABOR) by \$378,962 in 2023. If in any year revenue exceeds the TABOR limit, the City is allowed to keep and spend the balance of these revenues collected from prior years for public safety, parks maintenance and construction, and street maintenance and construction. This allocation of excess TABOR revenue sunsets in 2024.

The Total Government 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 includes payments for perpetual care \$3,723,882.
- Restricted balance of \$44,041,848 includes \$378,962 reserve for excess TABOR, \$3,831,233 reserve for emergencies; \$12,251,009 for Fire and Rescue; \$12,416,101 for Open Space Acquisitions; \$5,432,687 for Parks & Recreation; \$6,307,525 for Urban Revitalization; as well as funds for Convention & Tourism, Library and Law Enforcement.
- Committed balances include \$53,461,542 for future capital improvements; Art in Public Places; public education; and affordable housing.
- Assigned balances of \$1,196,479 are for items such as Parks Improvements, and Fiber Network.
- Unassigned General Fund is \$55,616,388, which includes the reserve policy adopted in 2011. This policy sets aside 15% of expenditures to be held in reserve as a guard against economic uncertainties.

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 \$3,497,063. 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 \$3,454,717 the current fund balance is \$15,830,999.

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 \$119,898,865 decreased by (1)% for the year. Tax revenue of \$86,047,976, (72)% of the total General Fund revenue decreased by (9)% in 2023. There were no changes made to the City's mill levy or sales tax rate in 2023, however sales taxes on the sale of food was repealed beginning 1/1/2024. The General Fund balance decreased by \$(720,665), (1)%, primarily due to decreases in building permit fees.

The Loveland Urban Renewal Authority (LURA) Fund revenues increased in 2023 to \$20,955,868. Tax revenues of \$20,804,312 (99% of total revenues) increased by \$716,142 or 4% from 2022. Total 2023 expenditures of \$20,118,522 include the distribution of tax increment financing \$17,205,685, and school district fund \$2,447,798.

Total revenues in the Capital Expansion Fees (CEF) Fund increased by \$2,908,261, 28% from 2022, due to higher fees paid in 2023 and the investment gain adjustment. The fund balance in the CEF Fund increased by \$6,943,563 or 14%, versus an increase in 2022 of \$5,806,905. This increase is due to smaller transfers to the Transportation Fund of \$4,514,851 and transfers to the Capital Project Fund of \$177,197.

Excluding transfers, the total revenue for the Loveland Fire Rescue Authority Fund was \$31,034,279 and total expenditures were \$29,978,503. The revenue includes the contribution from the City for \$18,122,300. Fund balance increased by \$1,058,248.

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.

Total net position of the Proprietary Funds at year-end was \$771,484,209, an increase of \$51,291,702. Each of the Proprietary Funds had net position increases, the most significant in the Electric and Communications Fund which increased \$17,983,109 from 2022.

General Fund Budgetary Highlights

2023 continued to see strong revenue growth compared to previous years, despite predictions of an impending economic recession. In response to these predictions, we continue to model an economic downturn in the city's 5 year forecasting model. The Budget team worked to create an accurate revenue forecast for 2024, navigating various economic and legislative uncertainties to ensure a comprehensive and informed financial outlook.

The City is implementing a 3.5% merit-based salary increase, in addition to a 1% pool for City Manager directed compression adjustments in 2024. 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 have been 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 is also currently undergoing a transition from a manual, paper-based budget process to an integrated cloud-based budget system. 2024 Budget documents will be 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 \$18.4 million in 2024. 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 \$17.6M planned draw-down in the General Fund from one-time capital and decision packages, leaves \$935K in unassigned fund balance for 2024.

Loveland City Council granted approval of the FY2024 Budget in October 2023. In the November 2023 election, citizens of Loveland approved Ballot Question 300 removing “human food for home consumption” from the City’s sales tax base. Loveland has several very large retail grocery stores and they are projected to, along with our large “super-stores”, remit over \$13.2M in sales tax revenue to the city from food for home consumption. Staff will act together with Council to address any revenue shortfall through a combination of measures.

Proprietary Fund Budgetary Highlights

The Water, Wastewater, Stormwater and Electric & Communications utilities' increased their fund balances by \$12.9 million, \$6.5 million, \$11.1 million and \$17.9 million respectively. 2023 was again a strong year for development driven revenues.

Capital Assets and Debt Administration

Capital Assets

At the end of 2023, the City had \$1,341,020,154 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 5% and buildings and equipment increased by 7% 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 2023:

Chimney Hollow Reservoir	\$	75,707,557
Pulse Installations		10,284,642
Water Pump Station P2		5,863,313
Pulliam Building		3,924,255
Garfield & Harrison Storm Drainage Outfall		3,404,236

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
	2023	2022	2023	2022	2023	2022	
Land	\$ 70,757,466	\$ 69,970,574	\$ 15,787,730	\$ 14,918,962	\$ 86,545,196	\$ 84,889,536	2.0%
Art Collection	8,838,738	8,538,606	-	-	8,838,738	8,538,606	3.5%
Buildings	77,000,409	72,201,336	29,393,544	30,424,145	106,393,953	102,625,481	3.7%
Leased Buildings	4,777,647	268,739	1,048,647	1,313,355	5,826,294	1,582,094	368.0%
Improvements	42,067,656	42,539,557	120,632,677	121,677,800	162,700,333	164,217,357	(0.9)%
Equipment	26,124,896	24,852,338	9,929,200	10,474,440	36,054,096	35,326,778	2.1%
Leased Equipment	149,924	184,848	-	-	149,924	184,848	(18.9)%
Software	1,290,767	1,460,919	-	-	1,290,767	1,460,919	(11.6)%
Water rights	2,968,488	2,747,520	78,391,190	78,021,050	81,359,678	80,768,570	0.7%
Infrastructure	249,709,363	235,847,508	371,277,615	331,708,433	620,986,978	567,555,941	9.4%
Easements	10,632,543	9,358,872	44,795,478	38,506,607	55,428,021	47,865,479	15.8%
Construction in Process	38,205,293	39,600,515	137,240,883	135,937,115	175,446,176	175,537,630	-%
Total	\$ 532,523,190	\$ 507,571,332	\$ 808,496,964	\$ 762,981,907	\$ 1,341,020,154	\$ 1,270,553,239	5.5%

Major additions in 2023 included the following assets:

Fire Station #10	\$ 7,811,858	Green Ridge Glade Reservoir Bypass Pipe	\$ 2,386,884
2023 Street Rehabilitation	\$ 5,802,378	Horseshoe Substation Switch	\$ 1,774,042

Debt

At year-end, the City had a number of oversizing agreements related to Streets totaling \$708,204. There were no contract amendments in 2023. 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 \$175,000 of the 2015 Water bond debt and \$1,370,000 of the 2021 Water bond debt in 2023. Additionally, between 2017 and 2018, the City secured \$24,900,000 for improvements to the Wastewater Treatment Plant; the City paid down \$880,000 of this debt in 2023.

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 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.

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

NEXT YEAR'S BUDGET AND RATES

The City's General Fund is facing possible reductions due to sales tax revenue losses resulting from the elimination of sales tax on food for home consumption. Consideration is being given to de-appropriating items, primarily capital projects, to offset the expected revenue shortfall.

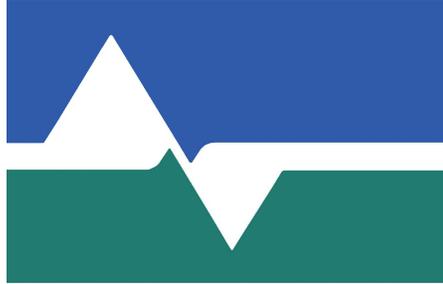
The City adopted the very first modern Citywide Strategic Plan on March 3, 2020. This newly adopted guiding document will be used to focus decision-making on the identified eight areas of focus: Public Safety, Infrastructure & Transportation, Livability, Innovation & Organizational Excellence, Economic 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 2024 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 5% in 2024, 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 5.14% in 2024 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>.

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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, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash	\$ 11,284	\$ 8,650	\$ 19,934
Equity in Pooled Cash	29,863,094	11,419,211	41,282,305
Equity in Pooled Investments	151,190,275	53,226,813	204,417,088
Receivables (Net):			
Taxes	45,870,134	-	45,870,134
Accounts	3,217,945	15,904,931	19,122,876
Grants	4,783,495	1,054,214	5,837,709
Lease Receivable	964,466	-	964,466
Accrued Interest	595,988	389,844	985,832
Internal Balances	493,186	(493,186)	-
Inventory of Supplies	1,068,208	12,471,417	13,539,625
Equity in Northern Colorado Regional Airport	14,137,098	-	14,137,098
Restricted Assets:			
Equity in Pooled Restricted Cash	24,793,012	23,666,268	48,459,280
Equity in Pooled Restricted Investments	-	48,350,464	48,350,464
Capital Assets:			
Land, Water Rights and Other Assets not Being Depreciated	93,197,235	138,974,398	232,171,633
Building, Improvements and Equipment, Net of Depreciation	401,120,662	532,281,683	933,402,345
Construction in Progress	38,205,293	137,240,883	175,446,176
Total Assets	809,511,375	974,495,590	1,784,006,965
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Items	217,659	-	217,659
Asset Retirement Obligation	-	257,725	257,725
Total Deferred Outflows of Resources	217,659	257,725	475,384
LIABILITIES			
Accounts Payable	17,116,164	16,130,772	33,246,936
Leases & Subscription Based IT Agreements Payable	534,997	257,062	792,059
Equipment Financing Agreement - Current	-	129,069	129,069
Accrued Liabilities	4,462,416	2,571,442	7,033,858
Deposits	2,460,284	10,241,932	12,702,216
Noncurrent Liabilities:			
Unearned Revenue	3,255,191	-	3,255,191
Due Within One Year	4,935,026	7,058,991	11,994,017
ARO Liability - Hydro - Short Term	-	732,678	732,678
Pollution Remediation-Short Term	1,130,000	-	1,130,000
Due in More Than One Year	29,397,110	164,593,611	193,990,721
ARO Liability - Solar - Long Term	-	350,000	350,000
Leases & Subscription Based IT Agreements - Due in More Than One Year	5,743,090	848,474	6,591,564
Equipment Financing Agreements - Due in More Than One Year	-	355,075	355,075
Pension Liability - Due in More Than One Year	1,472,991	-	1,472,991
Total Liabilities	70,507,269	203,269,106	273,776,375
DEFERRED INFLOWS OF RESOURCES			
Deferred Property Taxes	39,117,725	-	39,117,725
Lease Revenue	908,887	-	908,887
Total Deferred Inflows of Resources	40,026,612	-	40,026,612
NET POSITION			
Net Investment in Capital Assets	498,833,003	641,781,131	1,140,614,134
Restricted - Nonspendable	3,723,882	-	3,723,882
Restricted:			
Future Capital Improvements	-	67,636,791	67,636,791
Tabor 3% Emergency Reserve	3,831,233	-	3,831,233
Conservation Trust Fund	5,419,338	-	5,419,338
Open Space Acquisitions	12,416,101	-	12,416,101
Reserve for Excess Tabor	378,962	-	378,962
Fire and Rescue	12,251,009	-	12,251,009
Urban Revitalization	6,307,525	-	6,307,525
Capital and Operating Grants	3,671,786	-	3,671,786
Other	3,904,662	-	3,904,662
Unrestricted	148,457,652	62,066,287	210,523,939
Total Net Position	\$ 699,195,153	\$ 771,484,209	\$ 1,470,679,362

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, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions
Governmental Activities:				
City Manager	\$ 5,597,646	\$ 153,014	\$ 1,823,903	\$ 1,471,198
Legislative	187,949	-	-	-
City Attorney	1,864,301	11,560	11,605	-
City Clerk	896,384	81,994	-	-
Municipal Court	802,183	574,490	975	-
Finance	7,481,127	212,759	4,080	-
Human Resources	1,833,275	-	2,621	-
Information Technology	6,029,139	-	126,415	-
Economic Development	3,195,919	278,920	64,914	-
Development Services	6,232,895	4,458,195	126,933	-
Public Works	35,287,336	23,459,649	4,139,802	17,355,495
Police	36,815,324	1,992,405	556,782	-
Fire and Rescue	28,489,609	4,841,333	25,466,448	-
Parks & Recreation	17,600,926	10,596,562	260,743	684,539
Library	4,089,707	561,866	101,261	-
Cultural Services	2,791,485	1,129,935	276,033	-
General Government	28,578,929	1,028,788	4,024,610	-
Interest on long term debt	1,108,672	-	-	-
Total Governmental Activities	188,882,806	49,381,470	36,987,125	19,511,232
Business-Type Activities				
Water	21,234,148	23,550,016	1,237,936	7,777,578
Wastewater	15,379,506	17,664,035	37,451	3,774,829
Stormwater	5,825,855	11,361,147	111,504	5,146,952
Electric & Communications	88,171,791	89,740,678	143,238	14,351,448
Solid Waste	10,636,242	10,863,634	-	-
Golf	4,395,317	6,165,144	1,466	-
Total Business-Type Activities	145,642,859	159,344,654	1,531,595	31,050,807
City Total	\$ 334,525,665	\$ 208,726,124	\$ 38,518,720	\$ 50,562,039
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
\$	(2,149,531)	\$ -	\$ (2,149,531)
	(187,949)	-	(187,949)
	(1,841,136)	-	(1,841,136)
	(814,390)	-	(814,390)
	(226,718)	-	(226,718)
	(7,264,288)	-	(7,264,288)
	(1,830,654)	-	(1,830,654)
	(5,902,724)	-	(5,902,724)
	(2,852,085)	-	(2,852,085)
	(1,647,767)	-	(1,647,767)
	9,667,610	-	9,667,610
	(34,266,137)	-	(34,266,137)
	1,818,172	-	1,818,172
	(6,059,082)	-	(6,059,082)
	(3,426,580)	-	(3,426,580)
	(1,385,517)	-	(1,385,517)
	(23,525,531)	-	(23,525,531)
	(1,108,672)	-	(1,108,672)
	(83,002,979)	-	(83,002,979)
	-	11,331,382	11,331,382
	-	6,096,809	6,096,809
	-	10,793,748	10,793,748
	-	16,063,573	16,063,573
	-	227,392	227,392
	-	1,771,293	1,771,293
	-	46,284,197	46,284,197
\$	(83,002,979)	\$ 46,284,197	\$ (36,718,782)
	33,721,985	-	33,721,985
	74,862,546	-	74,862,546
	2,067,610	-	2,067,610
	1,317,532	-	1,317,532
	7,719,307	5,412,072	13,131,379
	622,204	28,011	650,215
	432,578	(432,578)	-
	120,743,762	5,007,505	125,751,267
	37,740,783	51,291,702	89,032,485
	661,454,370	720,192,507	1,381,646,877
\$	\$ 699,195,153	\$ 771,484,209	\$ 1,470,679,362

City of Loveland, Colorado
Balance Sheet
Governmental Fund Types
December 31, 2023

	General	Loveland Urban Renewal Authority	Transportation	Capital Expansion Fees
ASSETS				
Cash	\$ 10,984	\$ -	\$ -	\$ -
Equity in Pooled Cash	3,689,800	-	7,814	10,027,647
Equity in Pooled Investments	55,122,441	-	148,121	42,906,570
Receivables (Net):				
Taxes	22,012,595	22,091,691	21,965	-
Accounts	1,527,958	566,487	705,218	-
Grants	575,470	-	2,095,340	471,215
Lease Receivable	-	-	-	157,341
Due from Other Funds	743,186	-	-	-
Accrued Interest	171,211	31,533	4	155,379
Interfund Loan Receivables	20,730	-	-	1,452,203
Inventory	158	-	290,740	-
Equity in Pooled Restricted Cash	4,910,570	8,707,293	-	-
Total Assets	88,785,103	31,397,004	3,269,202	55,170,355
LIABILITIES				
Accounts Payable	4,252,109	3,460,559	827,911	97,635
Accrued Liabilities	1,819,735	-	222,506	2,574
Due to Other Funds	-	-	250,000	-
Unearned Revenue	3,255,191	-	-	-
Interfund Loan Payable	520,060	1,071,068	-	-
Total Liabilities	9,847,095	4,531,627	1,300,417	100,209
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Taxes	15,869,076	22,091,691	-	-
Unavailable Grant Revenue	-	-	2,095,340	-
Deferred Inflow from Leases	-	-	-	152,930
Unavailable Other Revenue	626,394	-	261,119	3,471
Total Deferred Inflows of Resources	16,495,470	22,091,691	2,356,459	156,401
Total Liabilities and Deferred Inflows of Resources	26,342,565	26,623,318	3,656,876	256,610
Fund Balances:				
Nonspendable	20,922	-	290,740	-
Restricted	5,583,159	4,773,686	-	-
Committed	1,222,069	-	-	54,913,745
Assigned	-	-	-	-
Unassigned	55,616,388	-	(678,414)	-
Total Fund Balances	62,442,538	4,773,686	(387,674)	54,913,745
Total Liabilities and Fund Balances	\$ 88,785,103	\$ 31,397,004	\$ 3,269,202	\$ 55,170,355

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

City of Loveland, Colorado
Balance Sheet
Governmental Fund Types
December 31, 2023

	Loveland Fire Rescue Authority	Capital Project Funds	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash	\$ -	\$ -	\$ 300	\$ 11,284
Equity in Pooled Cash	38,994	2,238,567	5,741,012	21,743,834
Equity in Pooled Investments	5,020,359	3,579,775	19,489,615	126,266,881
Receivables (Net):				
Taxes	-	-	1,743,883	45,870,134
Accounts	314,186	30,000	42,154	3,186,003
Grants	-	1,240,765	400,705	4,783,495
Lease Receivable	-	-	807,125	964,466
Due from Other Funds	-	-	-	743,186
Accrued Interest	52,697	13,928	76,866	501,618
Interfund Loan Receivables	-	-	-	1,472,933
Inventory	-	-	38,065	328,963
Equity in Pooled Restricted Cash	8,537,697	-	2,170,470	24,326,030
Total Assets	13,963,933	7,103,035	30,510,195	230,198,827
LIABILITIES				
Accounts Payable	772,948	6,633,488	235,861	16,280,511
Accrued Liabilities	939,976	-	87,733	3,072,524
Due to Other Funds	-	-	-	250,000
Unearned Revenue	-	-	-	3,255,191
Interfund Loan Payable	-	-	-	1,591,128
Total Liabilities	1,712,924	6,633,488	323,594	24,449,354
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Taxes	-	-	1,156,958	39,117,725
Unavailable Grant Revenue	-	-	-	2,095,340
Deferred Inflow from Leases	-	-	755,957	908,887
Unavailable Other Revenue	-	1,240,765	113,935	2,245,684
Total Deferred Inflows of Resources	-	1,240,765	2,026,850	44,367,636
Total Liabilities and Deferred Inflows of Resources	1,712,924	7,874,253	2,350,444	68,816,990
Fund Balances:				
Nonspendable	-	-	3,761,947	4,073,609
Restricted	12,251,009	-	21,433,994	44,041,848
Committed	-	-	1,767,331	57,903,145
Assigned	-	-	1,196,479	1,196,479
Unassigned	-	(771,218)	-	54,166,756
Total Fund Balances	12,251,009	(771,218)	28,159,751	161,381,837
Total Liabilities and Fund Balances	\$ 13,963,933	\$ 7,103,035	\$ 30,510,195	\$ 230,198,827

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.	520,544,609
City's joint venture equity interest in Northern Colorado Regional Airport	14,137,098
City's Net Pension Liability	(1,472,991)
Certain deferred inflows of resources represent unavailable revenue which revenue does not represent current available resources. These revenues are eliminated at the activity level.	4,341,024
Certain deferred outflows/inflows of resources represent deferred expenses relating to pension expenses	217,659
Pollution Remediation	(1,130,000)
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.	41,340,941
Leases and Subscriptions Payable	(6,062,864)
Long-term liabilities are not due and payable in the current period and are not reported in the funds. (Accrued Leave \$6,690,063, Certificates of Participation \$14,390,000, Financing Agreement, \$10,455,000, Equipment Financing Agreement, \$858,893, Bank Loan, \$1,000,000, and developer oversizing agreements \$708,204)	(34,102,160)
Net Position of Governmental Activities	<u>\$ 699,195,153</u>

City of Loveland, Colorado
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Fund Types
For the Year Ended December 31, 2023

	General	Loveland Urban Renewal Authority	Transportation	Capital Expansion Fees	Loveland Fire Rescue Authority
Revenues:					
Taxes	\$ 86,047,976	\$ 20,804,312	\$ 103,402	\$ -	\$ -
Licenses and Permits	4,499,507	-	205,562	-	295,300
Fines and Penalties	578,234	-	-	-	-
Intergovernmental	8,258,347	-	4,441,264	467,744	25,489,209
Charges for Services	5,474,070	-	4,392,657	10,949,719	2,096,074
Investment Earnings (Loss)	3,978,583	139,487	9,114	1,928,776	614,498
Payment in Lieu of Taxes	9,484,927	-	-	-	-
Contributions	24,166	-	-	-	-
Miscellaneous	1,553,055	12,069	213,722	88,634	2,539,198
Total Revenues	119,898,865	20,955,868	9,365,721	13,434,873	31,034,279
Expenditures:					
Current:					
Legislative	187,949	-	-	-	-
City Manager	4,782,776	-	-	-	-
City Attorney	1,846,549	-	-	-	-
City Clerk	891,116	-	-	-	-
Municipal Court	797,575	-	-	-	-
Finance	7,451,592	-	-	-	-
Human Resources	1,837,989	-	-	-	-
Information Technology	4,812,105	-	-	-	-
Economic Development	1,652,454	-	-	-	-
Development Services	3,411,951	-	-	-	-
Public Works	9,924,304	-	14,295,899	-	-
Police	35,059,768	-	-	-	-
Fire	-	-	-	-	26,734,848
Parks & Recreation	11,514,472	-	-	72,790	-
Library	3,472,520	-	-	-	-
Cultural Services	2,476,281	-	-	-	-
General Government	11,203,449	19,900,888	-	153,489	-
Capital Outlay	8,266,298	145,444	12,222,448	1,566,499	2,374,618
Debt service					
Principal	857,989	-	-	-	596,483
Interest and debt service costs	732,804	72,190	31,124	-	272,554
Total Expenditures	111,179,941	20,118,522	26,549,471	1,792,778	29,978,503
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,718,924	837,346	(17,183,750)	11,642,095	1,055,776
Other Financing Sources (Uses):					
Transfers In	521,783	-	16,920,506	-	2,472
Transfers (Out)	(14,873,821)	-	(124,430)	(4,698,532)	-
Lease and SBITA agreements entered into	4,912,449	-	-	-	-
Total Other Financing Sources (Uses)	(9,439,589)	-	16,796,076	(4,698,532)	2,472
Net Change in Fund Balance	(720,665)	837,346	(387,674)	6,943,563	1,058,248
Fund Balances--Beginning	63,163,203	3,936,340	-	47,970,182	11,192,761
Fund Balances--Ending	\$ 62,442,538	\$ 4,773,686	\$ (387,674)	\$ 54,913,745	\$ 12,251,009

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

Capital Project Funds	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 5,013,983	\$ 111,969,673
-	-	5,000,369
-	-	578,234
166,025	2,488,382	41,310,971
-	344,906	23,257,426
100,205	948,644	7,719,307
-	-	9,484,927
(57,100)	-	(32,934)
402,732	892,141	5,701,551
<u>611,862</u>	<u>9,688,056</u>	<u>204,989,524</u>
-	-	187,949
-	708,221	5,490,997
-	-	1,846,549
-	-	891,116
-	-	797,575
-	-	7,451,592
-	-	1,837,989
174,998	140,865	5,127,968
-	1,534,783	3,187,237
-	-	3,411,951
669,863	531,347	25,421,413
4,570	567,372	35,631,710
-	-	26,734,848
107,624	2,147,561	13,842,447
-	-	3,472,520
-	-	2,476,281
-	14,332	31,272,158
1,427,396	1,856,140	27,858,843
-	-	1,454,472
-	-	1,108,672
<u>2,384,451</u>	<u>7,500,621</u>	<u>199,504,287</u>
<u>(1,772,589)</u>	<u>2,187,435</u>	<u>5,485,237</u>
2,287,169	455,000	20,186,930
(11,645)	(11,364)	(19,719,792)
-	-	4,912,449
<u>2,275,524</u>	<u>443,636</u>	<u>5,379,587</u>
502,935	2,631,071	10,864,824
<u>(1,274,153)</u>	<u>25,528,680</u>	<u>150,517,013</u>
<u>\$ (771,218)</u>	<u>\$ 28,159,751</u>	<u>\$ 161,381,837</u>

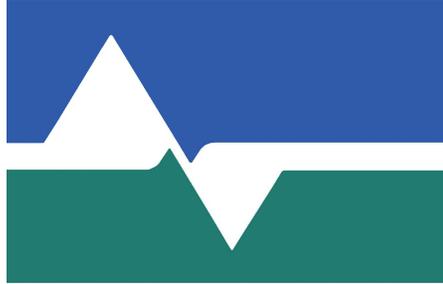
City of Loveland, Colorado
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds To
the Statement of Activities
For the Year Ended December 31, 2023

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

Net change in fund balances - total governmental funds	\$ 10,864,824
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 \$27,858,843 exceeded depreciation \$20,637,437 in the current period.	7,221,406
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.	12,508,851
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.	(323,930)
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 increase in accrued leave \$667,177; a decrease in developer oversizing agreements, net of accrued interest \$51,271; a decrease in the Net Pension Liability and related deferred inflows/outflows \$127,699, and an increase in Pollution Remediation \$100,000.	(588,207)
Revenues that are recorded for the Airport joint venture in the statement of activities that are not reported as revenues in the funds.	3,518,358
Principal payments on long term debt	996,483
Leased Assets Transactions	(36,105)
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.	3,579,103
Change in net position of governmental activities	\$ 37,740,783

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, 2023

	Business-Type Activities - Enterprise Funds			
	Water	Waste Water	Stormwater	Electric & Communications
ASSETS				
Current Assets:				
Cash	\$ -	\$ -	\$ -	2,850
Equity in Pooled Cash	3,182,117	3,869,011	679,318	390,194
Equity in Pooled Investments	8,140,031	9,360,530	6,288,447	18,903,863
Receivables, Net	2,145,135	2,009,887	1,627,525	9,937,144
Accrued Interest	128,566	49,628	43,468	127,156
Inventory, at Cost	474,250	8,694	-	11,676,353
Total Current Assets	14,070,099	15,297,750	8,638,758	41,037,560
Non-current Assets:				
Interfund Loan Receivable	-	-	-	-
Restricted Assets:				
Future Raw Water Projects Restricted Cash	48,632	-	-	-
Future Easement Improvements Restricted Cash	-	-	-	-
Equity in Pooled Restricted Cash	6,125,750	1,294,969	1,091,494	8,677,115
Reservoir Improvements Restricted Cash	-	-	-	-
System Impact Fees	-	-	6,126,995	-
Equity in Pooled Restricted Investments	23,869,613	2,672,518	1,132,048	20,482,664
Total Restricted Assets	30,043,995	3,967,487	8,350,537	29,159,779
Capital Assets:				
Land	4,046,605	1,288,656	6,181,999	3,214,969
Intangible Assets/Easements	10,158,412	10,301,648	10,388,520	13,946,897
Buildings	4,183,138	25,579,949	94,184	5,179,139
Leased Buildings	415,358	-	-	1,162,705
Equipment	4,225,151	4,118,148	3,641,033	8,542,013
Leased Equipment	-	-	-	-
Improvements Other Than Buildings	218,322,057	123,603,300	65,186,261	301,521,284
Water Rights	78,296,690	-	-	-
Construction in Progress	88,061,260	4,310,136	20,238,592	20,276,903
Total Capital Assets	407,708,671	169,201,837	105,730,589	353,843,910
Accumulated Depreciation	(75,048,856)	(48,553,588)	(22,044,903)	(95,241,633)
Net Capital Assets	332,659,815	120,648,249	83,685,686	258,602,277
Total Non-Current Assets	362,703,810	124,615,736	92,036,223	287,762,056
Total Assets	\$ 376,773,909	\$ 139,913,486	\$ 100,674,981	\$ 328,799,616
Deferred Outflows of Resources:				
Asset Retirement Obligation	-	-	-	257,725

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, 2023
(Continued)

Business-Type Activities - Enterprise Funds			Governmental
Solid Waste	Golf	Totals	Activities Internal Service
\$ 1,600	\$ 4,200	\$ 8,650	\$ -
1,984,240	1,314,331	11,419,211	8,119,260
6,491,112	4,042,830	53,226,813	24,923,394
1,033,009	206,445	16,959,145	31,942
24,896	16,130	389,844	94,370
243,708	68,412	12,471,417	739,245
9,778,565	5,652,348	94,475,080	33,908,211
-	-	-	118,195
-	-	48,632	-
-	96,460	96,460	-
18,434	-	17,207,762	466,982
-	186,419	186,419	-
-	-	6,126,995	-
193,621	-	48,350,464	-
212,055	282,879	72,016,732	466,982
-	1,055,502	15,787,731	209,516
-	-	44,795,477	-
378,098	4,563,132	39,977,640	1,976,509
-	-	1,578,063	148,662
10,909,329	3,492,409	34,928,083	21,301,763
-	-	-	198,983
232,356	9,867,574	718,732,832	-
-	94,500	78,391,190	-
1,084,349	3,269,643	137,240,883	2,786,405
12,604,132	22,342,760	1,071,431,899	26,621,838
(8,896,362)	(13,149,593)	(262,934,935)	(14,643,257)
3,707,770	9,193,167	808,496,964	11,978,581
3,919,825	9,476,046	880,513,696	12,563,758
\$ 13,698,390	\$ 15,128,394	\$ 974,988,776	\$ 46,471,969
-	-	257,725	-

City of Loveland, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2023
(Continued)

	Business-Type Activities - Enterprise Funds			
	Water	Waste Water	Stormwater	Electric & Communications
LIABILITIES				
Current Liabilities:				
Accounts Payable	2,004,802	1,204,111	3,545,917	8,153,419
Lease Payable	339,559	-	-	765,975
Accrued Liabilities	992,092	513,661	79,418	761,356
Due to Other Funds	-	-	-	493,186
Deposits	-	-	-	10,241,932
ARO Liability - Hydro	-	-	-	732,678
Compensated Absences	277,263	191,307	99,732	424,541
Equipment Financing Agreement - Current	-	-	-	-
Bond Payable - Current	1,923,298	920,000	-	3,035,115
Total Current Liabilities	5,537,014	2,829,079	3,725,067	24,608,202
Long-Term Liabilities:				
Compensated Absences	226,852	156,524	81,599	347,352
Equipment Financing Agreement	-	-	-	-
Bond Payable	56,989,921	16,980,000	-	89,203,549
ARO Liability - Solar	-	-	-	350,000
Total Long-Term Liabilities	57,216,773	17,136,524	81,599	89,900,901
Total Liabilities	62,753,787	19,965,603	3,806,666	114,509,103
NET POSITION				
Net Investment in Capital Assets	273,208,443	102,492,631	83,685,686	169,977,578
Restricted for Future Capital Improvements	30,043,995	3,967,487	8,350,537	24,779,838
Restricted - Health Claims & Admin	-	-	-	-
Unrestricted	10,767,684	13,487,765	4,832,092	19,790,822
Total Net Position	\$ 314,020,122	\$ 119,947,883	\$ 96,868,315	\$ 214,548,238

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, 2023
(Continued)

Business-Type Activities - Enterprise Funds			Governmental
Solid Waste	Golf	Totals	Activities Internal Service
1,003,948	672,790	16,584,987	3,295,934
-	-	1,105,534	215,226
148,487	76,428	2,571,442	1,389,892
-	-	493,186	-
-	-	10,241,932	-
-	-	732,678	-
103,317	84,418	1,180,578	126,487
-	129,069	129,069	-
-	-	5,878,413	-
1,255,752	962,705	38,917,819	5,027,539
84,531	69,070	965,928	103,489
-	355,075	355,075	-
-	-	163,173,470	-
-	-	350,000	-
84,531	424,145	164,844,473	103,489
1,340,283	1,386,850	203,762,292	5,131,028
3,707,770	8,709,023	641,781,131	11,870,084
212,055	282,879	67,636,791	-
-	-	-	466,982
8,438,282	4,749,642	62,066,287	29,003,875
\$ 12,358,107	\$ 13,741,544	\$ 771,484,209	\$ 41,340,941

City of Loveland, Colorado
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2023

	Business-Type Activities - Enterprise Funds			
	Water	Waste Water	Stormwater	Electric & Communications
Operating Revenues:				
Charges for Services	\$ 20,696,922	\$ 17,656,882	\$ 11,298,384	\$ 89,185,234
Miscellaneous	1,749,298	44,604	62,763	698,682
Total Operating Revenues	22,446,220	17,701,486	11,361,147	89,883,916
Operating Expenses:				
Personal Services	6,705,737	4,771,888	1,841,616	8,969,442
Supplies	1,639,405	754,551	64,446	836,650
Purchased Services	5,629,324	3,952,584	1,972,913	8,694,425
Purchased Power	-	-	-	50,842,084
Payment for Services	1,350,738	1,147,586	578,942	5,718,132
Depreciation	4,469,902	3,995,283	1,367,938	9,576,688
Total Operating Expenses	19,795,106	14,621,892	5,825,855	84,637,421
Net Operating Income (loss)	2,651,114	3,079,594	5,535,292	5,246,495
Nonoperating Revenues (Expenses):				
Investment Gain (Loss)	1,782,251	481,704	432,563	2,117,981
Bond Expenses	(2,075)	(826)	-	(13,700)
Interest and debt service costs	(1,436,967)	(756,788)	-	(3,520,670)
Gain (Loss) on Sale of Capital Assets	3,878	-	-	(29,400)
Total Nonoperating Revenues (Expense)	347,087	(275,910)	432,563	(1,445,789)
Net Income (Loss) Before Contributions and Transfers	2,998,201	2,803,684	5,967,855	3,800,706
Capital Contributions:				
System Impact/Development Fees	3,319,826	2,061,998	410,900	3,587,624
Contributed Assets	2,174,341	1,550,831	4,475,641	2,541,069
Aid to Construction	-	162,000	-	8,222,755
Raw Water Development Fees	1,241,139	-	-	-
Cash in Lieu of Water Rights	2,212,360	-	-	-
Capital Grant Contributions	1,171,644	-	371,915	-
Transfers In	-	-	640	-
Transfers (Out)	(146,806)	(41,450)	(50,106)	(169,045)
Change in Net Position	12,970,705	6,537,063	11,176,845	17,983,109
Total Net Position - Beginning	301,049,417	113,410,820	85,691,470	196,565,129
Total Net Position - Ending	\$ 314,020,122	\$ 119,947,883	\$ 96,868,315	\$ 214,548,238

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

Business-Type Activities - Enterprise Funds			Governmental Activities
Solid Waste	Golf	Totals	Internal Service
\$ 10,787,470	\$ 6,164,175	\$ 155,789,067	\$ 29,215,210
76,164	2,435	2,633,946	232,320
10,863,634	6,166,610	158,423,013	29,447,530
3,577,580	2,634,588	28,500,851	2,947,735
531,871	616,772	4,443,695	3,689,330
4,951,207	750,876	25,951,329	18,766,618
-	-	50,842,084	-
689,529	-	9,484,927	-
867,837	385,561	20,663,209	1,977,652
10,618,024	4,387,797	139,886,095	27,381,335
245,610	1,778,813	18,536,918	2,066,195
314,692	282,881	5,412,072	1,194,581
-	-	(16,601)	-
(18,218)	(7,520)	(5,740,163)	(7,579)
20,500	33,033	28,011	360,466
316,974	308,394	(316,681)	1,547,468
562,584	2,087,207	18,220,237	3,613,663
-	-	9,380,348	-
-	-	10,741,882	-
-	-	8,384,755	-
-	-	1,241,139	-
-	-	2,212,360	-
-	-	1,543,559	-
-	-	640	-
(19,344)	(6,467)	(433,218)	(34,560)
543,240	2,080,740	51,291,702	3,579,103
11,814,867	11,660,804	720,192,507	37,761,838
\$ 12,358,107	\$ 13,741,544	\$ 771,484,209	\$ 41,340,941

City of Loveland, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2023

	Business-Type Activities - Enterprise Funds		
	Water	Waste Water	Stormwater
Cash Flows from Operating Activities:			
Cash Received from Customers	\$ 20,951,206	\$ 17,618,131	\$ 11,178,960
Cash Received from Interfund Services	-	-	-
Cash Payments for Goods and Services	(8,014,417)	(6,226,889)	(3,069,210)
Cash Payments to Employees	(6,637,980)	(4,715,671)	(1,822,975)
Other Receipts	1,575,740	51,649	62,765
Net Cash Provided by Operating Activities	7,874,549	6,727,220	6,349,540
Cash Flows from Non-Capital Financing Activities:			
Repayments received on Interfund Loans receivable	-	-	-
Transfers In	-	-	640
Transfers Out	(146,807)	(41,450)	(50,106)
Net Cash Used by Non-Capital Financing Activities	(146,807)	(41,450)	(49,466)
Cash Flows from Capital and Related Financing Activities			
System Impact/Development Fees	3,319,827	2,062,093	410,900
Proceeds on Sale of Capital Assets	8,650	-	-
Payments for Capital Acquisition	(15,219,460)	(4,548,501)	(5,937,338)
Payments for Finance Leases	(50,400)	-	-
Raw Water Development Fees	1,241,139	-	-
Capital Grant Contributions	1,171,645	-	119,002
Cash in Lieu of Water Rights	2,212,360	-	-
Aid to Construction	-	162,000	-
Debt Principal payments	(1,545,000)	(880,000)	-
Bond Expenses	(2,075)	(825)	-
Interest Paid	(1,769,438)	(771,858)	-
Net Cash Used by Capital and Related Financing Activities	(10,632,752)	(3,977,091)	(5,407,436)
Cash Flows from Investing Activities:			
Purchase of Investments	(5,373,390)	(4,067,371)	(1,407,745)
Proceeds from Sale of Investments	10,657,374	2,692,420	1,810,209
Investment Earnings	485,763	182,302	166,376
Net Cash Flows Provided by Investing Activities	5,769,747	(1,192,649)	568,840
Net Increase (Decrease) in Cash and Cash Equivalents	2,864,737	1,516,030	1,461,478
Cash and Cash Equivalents - Jan. 1	6,491,762	3,647,950	6,436,329
Cash and Cash Equivalents - Dec. 31	\$ 9,356,499	\$ 5,163,980	\$ 7,897,807
Reconciliation of Operating Income to Net			
Operating Income	\$ 2,651,127	\$ 3,079,649	\$ 5,535,296
Adjustments to Reconcile Operating Income to			
Net Cash Provided (Used) by Operating Activities:			
Depreciation	4,469,902	3,995,283	1,367,938
(Increase) Decrease in Accounts Receivable	80,719	(31,756)	(119,425)
Increase in Inventory	(59,760)	565	-
Increase (Decrease) in Current Liabilities	732,561	(316,521)	(434,269)
Increase (Decrease) in Long Term Liabilities	-	-	-
Total Adjustments	5,223,422	3,647,571	814,244
Net Cash Provided by Operating Activities	\$ 7,874,549	\$ 6,727,220	\$ 6,349,540
Noncash Investing, Capital and Financing Activities:			
Contributed Assets from Subdividers	\$ 2,174,341	\$ 1,550,831	\$ 4,475,641
Unrealized Loss on Investments	1,257,638	277,626	250,205
Reconciliation of cash and cash equivalents to statement of net position:			
Cash and cash equivalents	3,182,117	3,869,011	679,318
Restricted Assets - cash and cash equivalents	6,174,382	1,294,969	7,218,489
	<u>\$ 9,356,499</u>	<u>\$ 5,163,980</u>	<u>\$ 7,897,807</u>

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	
\$ 89,240,174	\$ 10,663,686	\$ 6,162,950	\$ 155,815,107	\$ -	-
-	-	-	-	29,834,233	-
(69,607,653)	(5,455,543)	(1,487,985)	(93,861,697)	(22,134,809)	-
(8,831,625)	(3,563,847)	(2,641,662)	(28,213,760)	(2,902,116)	-
676,428	76,165	2,431	2,445,178	242,344	-
11,477,324	1,720,461	2,035,734	36,184,828	5,039,652	-
-	-	-	-	52,806	-
-	-	-	640	-	-
(169,045)	(19,344)	(6,467)	(433,219)	(34,560)	-
(169,045)	(19,344)	(6,467)	(432,579)	18,246	-
3,587,624	-	-	9,380,444	-	-
-	20,500	33,033	62,183	360,466	-
(27,186,216)	(1,124,857)	(915,321)	(54,931,693)	(2,823,821)	-
(230,203)	-	-	(280,603)	(72,704)	-
-	-	-	1,241,139	-	-
-	-	-	1,290,647	-	-
-	-	-	2,212,360	-	-
6,124,794	-	-	6,286,794	-	-
(1,250,000)	-	(52,461)	(3,727,461)	-	-
-	-	-	(2,900)	-	-
(3,913,160)	-	(7,520)	(6,461,976)	(3,574)	-
(22,867,161)	(1,104,357)	(942,269)	(44,931,066)	(2,539,633)	-
(9,575,852)	(1,464,781)	(816,094)	(22,705,233)	(5,187,288)	-
14,152,544	1,595,691	962,048	31,870,286	5,990,207	-
789,932	94,523	55,399	1,774,295	353,855	-
5,366,624	225,433	201,353	10,939,348	1,156,774	-
(6,192,258)	822,193	1,288,351	1,760,531	3,675,039	-
15,262,417	1,182,081	313,059	33,333,598	4,911,203	-
\$ 9,070,159	\$ 2,004,274	\$ 1,601,410	\$ 35,094,129	\$ 8,586,242	-
\$ 5,246,495	\$ 245,608	\$ 1,778,811	\$ 18,536,986	\$ 2,066,190	-
9,576,688	867,837	385,561	20,663,209	1,977,652	-
53,309	(42,563)	(1,224)	(60,940)	619,046	-
(1,665,079)	(89,755)	6,254	(1,807,775)	(87,194)	-
(1,501,681)	739,334	(133,668)	(914,244)	463,958	-
(232,408)	-	-	(232,408)	-	-
6,230,829	1,474,853	256,923	17,647,842	2,973,462	-
\$ 11,477,324	\$ 1,720,461	\$ 2,035,734	\$ 36,184,828	\$ 5,039,652	-
\$ 2,541,069	\$ -	\$ -	\$ 10,741,882	\$ -	-
1,308,016	210,759	220,138	3,524,382	805,702	-
393,044	1,985,840	1,318,531	11,427,861	8,119,260	-
8,677,115	18,434	282,879	23,666,268	466,982	-
\$ 9,070,159	\$ 2,004,274	\$ 1,601,410	\$ 35,094,129	\$ 8,586,242	-

City of Loveland, Colorado
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2023

	Special Improvement District No. 1 Custodial Fund
<hr/>	
ASSETS	
Equity in Pooled Cash and Cash Equivalents	\$ 124,325
Equity in Pooled Investments	199,467
Accrued Interest	1,016
<hr/>	
Total Assets	\$ 324,808
<hr/>	
Net Position:	
Restricted For:	
Improvement District	\$ 324,808
<hr/> <hr/>	

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, 2023

Additions:	
Special Assessments	\$ 481,703
Interest	8,026
Miscellaneous	1,700
Total Additions	491,429
Deductions:	
General Administration	3,515
Bond Principal	460,000
Bond Interest	76,440
Trustee Fees	300
Total Deductions	540,255
Net increase (decrease) in fiduciary net position	(48,826)
Net position-beginning	373,634
Net position-ending	\$ 324,808

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

City of Loveland, Colorado
Notes to Financial Statements
December 31, 2023

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 the DDA assets are for the benefit of the City.

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, 2023, ownership was (based on contributed capital): Fort Collins 50%, and Loveland 50%.

Note 1: Summary of Significant Accounting Policies (continued)

A. Reporting Entity (continued)

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

As of December 31, 2023	
Total Current Assets	\$ 9,562,715
Total Capital Assets (net of accumulated depreciation)	19,843,609
Total Assets	<u>29,406,324</u>
Total Current Liabilities	(1,132,126)
Total Net Position	<u>\$ 28,274,198</u>
For the Year Ended December 31, 2023	
Total operating revenue	\$ 2,113,002
Total operating expenses	(3,029,654)
Interest income & Federal/State Grants	153,999
Capital contributions	7,799,371
Change in Net Position	<u>\$ 7,036,718</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.

3. Northern Colorado Law Enforcement Training Center: On March 19, 2019, the City of Loveland and the City of Fort Collins entered into an agreement to construct a regional training campus for their respective Police departments. This campus is jointly owned by the cities of Loveland and Fort Collins, Colorado. Ownership will be 50% for each City.

Financial Information

As of December 31, 2023	
Total Current Assets	\$ 594,549
Total Assets	594,549
Total Current Liabilities	(34,319)
Total Net Position	<u>\$ 560,230</u>
For the Year Ended December 31, 2023	
Total operating revenue	\$ 110,540
Total operating expenses	(567,372)
Interest income	5,846
Contributions	567,206
Change in Net Position	<u>\$ 116,220</u>

Note 1: Summary of Significant Accounting Policies (continued)

A. Reporting Entity (continued)

None 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.

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, and the Transportation Utility Fee.

Note 1: Summary of Significant Accounting Policies (continued)

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

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, 82% and the Loveland Rural Fire District, 18%.
6. Capital Projects Fund: This Fund accounts for the major capital improvements of the City. Most of the revenues are transfers from other funds (78.9%) and grant revenue (5.75%) .

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.
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.

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.

The City reports Capital Expansion Fees and Capital Project Funds in the governmental 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 also to be consistent with prior year's reporting.

Note 1: Summary of Significant Accounting Policies (continued)

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

The City also reports 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 also to be consistent 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.

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, the collection of sales taxes in January of the subsequent year are recorded in the current year. All sales tax collected for 2023 has been recorded in 2023. 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, 2023, the allowance for uncollectable accounts was \$1,154,103. Revenue from grants and donations is recognized in the period in which all eligibility requirements have been satisfied.

Note 1: Summary of Significant Accounting Policies (continued)

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.

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

Note 1: Summary of Significant Accounting Policies (continued)

J. Capital Assets (continued)

inventory count of capital assets by fund and department in a three-year cycle and Federal Grant assets in a two-year cycle. In 2023, the three-year cycle of physical inventories included Development Services, Museum, Open Space, Parks and Rec, Water, Public Works, and Parks Improvement.

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. These liabilities are accrued when incurred in the government-wide and proprietary fund financial statements. The entire compensated absence liability is reported on the government-wide financial statements.

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 2013, the City implemented GASB Statement No. 65, Items Previously Reported as Assets and Liabilities. The objective of GASB 65 is to either properly classify certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred 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.

Note 1: Summary of Significant Accounting Policies (continued)

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).

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.

Note 2: Cash and Investments

Cash and investments at December 31, 2023, consisted of the following:

Deposits	\$ 89,885,844
Investments	\$ 252,967,019
Total	\$ 342,852,863

Deposits and investments are displayed within this report as follows:

Cash	\$ 19,934
Equity in Pooled Cash and Cash Equivalents	41,282,305
Equity in Pooled Investments	204,417,088
Equity in Restricted Cash	48,459,280
Equity in Restricted Investments	48,350,464
Equity in Pooled Cash and Cash Equivalents - Fiduciary Fund	124,325
Equity in Restricted Cash Fiduciary Fund	-
Equity in Pooled Investments Fiduciary Fund	199,467
Total	\$ 342,852,863

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 \$11,314,051 in the Colorado Surplus Asset Fund Trust (CSAFE). CSAFE is valued at amortized cost. The investments conform to its permitted investments and will meet Standard & Poor's investment guidelines to achieve a AAAM rating, the highest attainable rating for a Local Government Investment Pool. Information related to CSAFE can be found at their website, www.csafe.org.

The City of Loveland has invested \$3,514 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 AAAM. Information related to ColoTrust can be found on their website,

The City has the following recurring fair value measurements as of December 31, 2023:

- U.S. Treasury securities of \$137,987,298 are valued using quoted market prices (Level 1 inputs)
- U.S. Agency securities of \$80,801,388 are valued using matrix pricing techniques (Level 2 inputs)
- Corporate Bonds of \$21,678,567 are valued using matrix pricing techniques (Level 2 inputs)
- Municipal Bonds of \$4,738,387 are valued using matrix pricing techniques (Level 2 inputs)
- Commercial Paper of \$6,415,564 are valued using matrix pricing techniques (Level 2 inputs)
- Foreign Issues of \$1,345,815 are valued using matrix pricing techniques (Level 2 inputs)

Note 2: Cash and Investments (continued)

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, 2023, the City had \$7,855,651 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, 2023, the City had the following investments:

<u>Investment Type</u>	Standard and Poor's				
<i>Governmental and Business-Type Activities</i>	Rating	Less than 1	1-3	4-5	Total
U.S. Treasury Notes	N/A	64,765,954	73,112,540	-	137,878,494
U.S. Agency Securities	AA+	9,686,169	50,501,113	20,550,393	80,737,675
Corporate Bonds	AA-/A/A+/AA/AA+	2,927,905	18,733,569	-	21,661,474
Municipal Bonds	AA/AA+	1,937,123	2,797,527	-	4,734,650
Commercial Paper	AA/AA+	6,410,505	-	-	6,410,505
Foreign Issues	AA/AA+	1,344,754	-	-	1,344,754
Total		\$ 87,072,410	\$ 145,144,749	\$ 20,550,393	\$ 252,767,552
<i>Fiduciary Funds</i>					
U.S. Treasury Notes	N/A	51,109	57,695	-	108,804
U.S. Agency Securities	AA+	7,644	39,852	16,217	63,713
Corporate Bonds	AA-/A/A+/AA/AA+	2,310	14,783	-	17,093
Municipal Bonds	AA/AA+	1,529	2,208	-	3,737
Commercial Paper	AA/AA+	5,059	-	-	5,059
Foreign Issues	AA/AA+	1,061	-	-	1,061
Total		\$ 68,712	\$ 114,538	\$ 16,217	\$ 199,467

1. **Local Government Investment Pools:** At December 31, 2023, the City had \$3,514 invested in Colotrust and \$11,314,051 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 AAAM 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.

Note 2: Cash and Investments (continued)

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 (54.55%), Federal Home Loan Bank (12.00%), Federal Home Loan Mortgage Corporation (7.17%) and Federal Farm Credit Bank (9.05%).

E. Restricted Investments

Investments of \$48,350,464 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, 2023, were as follows:

Due From	Due To	Amount
Electric & Communications	General Fund	\$ 493,186
Transportation	General Fund	\$ 250,000

Interfund balance due to the General Fund is for borrowings to cover deficit cash balances until reimbursements are received in the following year.

Advance From	Advance To	Original Amount	Principal Payments	Principal Balance at December 31, 2023
CEF Fund	Loveland Urban Renewal	\$ 900,000	\$ 538,473	\$ 361,527
CEF Fund	Loveland Urban Renewal	1,500,000	985,952	514,048
General Fund	Loveland Urban Renewal	63,100	42,336	20,764
CEF Fund	General Fund	1,700,000	1,298,135	401,865
Fleet Fund	General Fund	500,000	381,805	118,195
CEF Fund	Loveland Urban Renewal	\$ 366,000	\$ 191,271	\$ 174,729

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
2024	514,048	122,871	15,421	138,292
2025	391,176	126,557	11,735	138,292
2026	264,619	131,641	7,939	139,580
2027	132,976	132,979	4,028	137,005
Total		\$ 514,048	\$ 39,123	\$ 553,169

**Loveland Urban Renewal Authority
Payment Schedule**

	Beginning Balance	Principal	Interest	Total Payment
2024	20,764	4,963	623	5,586
2025	15,801	5,112	474	5,586
2026	10,689	5,265	321	5,586
2027	5,423	5,424	163	5,586
Total		\$ 20,764	\$ 1,581	\$ 22,344

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

Loveland Urban Renewal Authority Payment Schedule				
	Beginning Balance	Principal	Interest	Total Payment
2024	361,561	86,423	10,847	97,270
2025	275,138	89,016	8,254	97,270
2026	186,123	91,686	5,584	97,270
2027	94,437	94,402	2,834	97,270
Total		\$ 361,527	\$ 27,519	\$ 389,080

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
2024	520,060	239,318	15,602	254,920
2025	280,742	246,498	8,422	254,920
2026	34,244	34,244	1,027	35,271
Total		\$ 520,060	\$ 25,051	\$ 545,111

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
2024	174,729	41,765	5,242	47,007
2025	132,964	43,018	3,989	47,007
2026	89,946	44,308	2,698	47,006
2027	45,638	45,638	1,369	47,007
Total		\$ 174,729	\$ 13,298	\$ 188,027

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

Transfers between funds were as follows:

Transfers In:							
	General	Capital Projects	Transportation	Storm- water	Loveland Fires Rescue Authority	Non-Major Governmental Funds	Total
Transfers Out:							
General	\$	2,020,054	\$ 12,400,655	\$ 640	\$ 2,472	\$ 450,000	\$ 14,873,821
Capital Projects		11,645					11,645
Transportation		124,430					124,430
CEF's		6,484	177,197	4,514,851			4,698,532
Water		130,056	15,000			1,750	146,806
Wastewater		33,700	7,500			250	41,450
Electric & Communications		151,045	15,000			3,000	169,045
Stormwater		50,106					50,106
Solid Waste			19,344				19,344
Golf		6,467					6,467
Non-Major Governmental Funds		6,364		5,000			11,364
Internal Services		1,486	33,074				34,560
	\$	521,783	\$ 2,287,169	\$ 16,920,506	\$ 640	\$ 2,472	\$ 455,000
							\$ 20,187,570

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 was initiated by the City for the following reason:

The General Fund transferred \$12,400,655 and the Capital Expansion Fees Fund transferred \$4,514,851 to the Transportation Fund for various street capital projects throughout the City. The General Fund also transferred \$2,020,054 to the Capital Projects Fund for various capital projects in the City.

Note 4: Capital Assets

Capital asset activity for the year ended December 31, 2023 was as follows:

Governmental Activities	Beginning Balance	Increases/ Transfers	Decreases/ Transfers	Ending Balance
Capital Assets, not being depreciated				
Land	\$ 69,970,574	\$ 1,253,637	\$ 466,745	\$ 70,757,466
Easements	9,358,872	1,273,671	-	10,632,543
Water Rights	2,747,520	220,968	-	2,968,488
Art Collection	8,538,606	300,132	-	8,838,738
Construction in Progress	39,600,515	12,348,189	13,743,411	38,205,293
Total Capital Assets, not being depreciated	130,216,087	15,396,597	14,210,156	131,402,528
Capital Assets, being depreciated				
Buildings	111,269,086	7,671,235	-	118,940,321
Leased Buildings	352,459	4,694,686	-	5,047,145
Equipment	61,211,263	6,397,749	1,491,737	66,117,275
Leased Equipment	261,859	42,935	-	304,794
Software	1,757,336	174,828	-	1,932,164
Improvements Other Than Buildings	79,194,506	3,004,643	26,716	82,172,433
Infrastructure	375,283,324	25,085,248	2,621,883	397,746,689
Total Capital Assets, being depreciated	629,329,833	47,071,324	4,140,336	672,260,821
Less accumulated depreciation for:				
Buildings	39,067,750	2,872,162	-	41,939,912
Leased Buildings	83,720	185,778	-	269,498
Equipment	36,358,925	4,993,433	1,359,979	39,992,379
Leased Equipment	77,011	77,859	-	154,870
Software	296,417	344,980	-	641,397
Improvements Other Than Buildings	36,654,949	3,454,503	4,675	40,104,777
Infrastructure	139,435,816	11,223,395	2,621,885	148,037,326
Total Accumulated Depreciation	251,974,588	23,152,110	3,986,539	271,140,159
Total capital assets, being depreciated, net	377,355,245	23,919,214	153,797	401,120,662
Governmental activities capital assets, net	\$ 507,571,332	\$ 39,315,811	\$ 14,363,953	\$ 532,523,190
Business-type Activities	Beginning Balance	Increases/ Transfers	Decreases/ Transfers	Ending Balance
Capital Assets, not being depreciated				
Land	\$ 14,918,962	\$ 868,768	\$ -	\$ 15,787,730
Easements	38,506,607	6,288,871	-	44,795,478
Water Rights	78,021,050	370,140	-	78,391,190
Construction in Progress	135,937,115	31,157,379	29,853,611	137,240,883
Total Capital Assets, not being depreciated	\$ 267,383,734	\$ 38,685,158	\$ 29,853,611	276,215,281
Capital Assets, being depreciated				
Buildings	39,952,710	24,930	-	39,977,640
Leased Buildings	1,578,063	-	-	1,578,063
Equipment	33,019,498	2,342,103	433,517	34,928,084
Improvements Other Than Buildings	196,297,814	3,712,471	31,810	199,978,475
Infrastructure	468,196,746	51,368,444	810,831	518,754,359
Total Capital Assets, being depreciated	\$ 739,044,831	\$ 57,447,948	\$ 1,276,158	795,216,621
Less accumulated depreciation for:				
Buildings	9,528,565	1,055,531	-	10,584,096
Leased Buildings	264,708	264,708	-	529,416
Equipment	22,545,058	2,887,343	433,517	24,998,884
Improvements Other Than Buildings	74,620,014	4,752,822	27,038	79,345,798
Infrastructure	136,488,313	11,769,862	781,431	147,476,744
Total Accumulated Depreciation	\$ 243,446,658	\$ 20,730,266	\$ 1,241,986	262,934,938
Total capital assets, being depreciated, net	495,598,173	36,717,682	34,172	532,281,683
Business-type activities capital assets, net	\$ 762,981,907	\$ 75,402,840	\$ 29,887,783	\$ 808,496,964

Note 4: Capital Assets (continued)

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

Governmental Activities	
Library	590,139
Finance	67,074
Information Technology	875,306
Development Services	2,774,782
Public Works	10,034,499
Police	1,096,865
Fire	1,647,700
Parks & Recreation	3,627,520
Cultural Services	312,523
Nondepartmental	148,050
Internal Service Fund	1,977,652

Total Governmental Activities \$ **23,152,110**

Business-Type Activities	
Water	\$ 4,469,902
Wastewater	3,995,283
Stormwater	1,367,938
Electric & Communications	9,576,688
Solid Waste	867,837
Golf	385,561

Total Business-Type Activities \$ **20,663,209**

Note 5: Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2023, was as follows:

	Balance 12/31/2022	Additions	Reductions	Balance 12/31/2023	Due Within One Year
Governmental Activities					
Compensated Absences	\$ 6,219,998	\$ 4,875,307	\$ 4,175,265	\$ 6,920,040	\$ 3,806,021
Certificates of Participation	14,790,000	-	400,000	14,390,000	405,000
Direct Placement Debt:					
Construction Financing Agreement	\$ 10,920,000	\$ -	\$ 465,000	\$ 10,455,000	\$ 475,000
Equipment Financing Agreement	990,376	-	131,483	858,893	162,639
Loan Agreement	1,000,000	-	-	1,000,000	86,366
Pollution Remediation	\$ 1,030,000	\$ 100,000	\$ -	\$ 1,130,000	\$ 1,130,000
Oversizing Agreements	759,475	-	51,271	708,204	-
Total	\$ 35,709,849	\$ 4,975,307	\$ 5,223,019	\$ 35,462,137	\$ 6,065,026
Business-Type Activities					
Electric & Communication Bonds	\$ 85,015,000	\$ -	\$ 1,250,000	\$ 83,765,000	\$ 2,630,000
Premium on Bonds	8,878,780	-	405,115	8,473,665	405,115
Water Enterprise Bonds	51,035,000	-	1,370,000	49,665,000	1,425,000
Premium on Bonds	7,506,516	-	318,298	7,188,218	318,298
Direct Placement Debt:					
Water Bonds	\$ 2,235,000	\$ -	\$ 175,000	\$ 2,060,000	\$ 180,000
Wastewater Bonds	18,780,000	-	880,000	17,900,000	920,000
Equipment Financing Agreement	\$ -	\$ 536,606	\$ 52,462	\$ 484,144	\$ 129,069
ARO Liability-Hydro	\$ 965,086	\$ -	\$ 232,408	\$ 732,678	\$ 732,678
ARO Liability-Solar	313,500	36,500	-	350,000	-
Compensated Absences	1,911,624	1,755,524	1,520,642	2,146,506	1,180,578
Oversizing Agreements	328,545	255,618	129,950	454,213	-
Total	\$ 176,969,051	\$ 2,584,248	\$ 6,333,875	\$ 173,219,424	\$ 7,920,738

For governmental activities, compensated absences are generally liquidated by the general fund.

A. Certificates of Participation

In March 2017 the City closed the lease certificates of participation financing transaction bearing interest at 3.39% for a fifteen-year term. The amount of proceeds was \$15,900,000. These lease certificates of participation were used to fund the construction of the Foundry parking garage.

The City issued Certificates of Participation on March 14, 2017, for the construction of a Parking Facility located at the downtown Foundry project and other public improvements. 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
2024	405,000	484,431
2025	425,000	470,532
2026	435,000	456,040
2027	455,000	441,124
2028	465,000	425,614
2029-2032	12,205,000	1,360,407
Total	\$ 14,390,000	\$ 3,638,148

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 this project began going to DDA to use the tax increment on this property 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 will begin 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
2024	86,366	31,902
2025	89,204	29,063
2026	92,136	26,132
2027	95,164	23,103
2028	98,292	19,976
2029-2033	538,838	49,207
Total	\$ 1,000,000	\$ 179,383

C. Water, Wastewater 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.

Note 5: Long-Term Liabilities (continued)

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

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.

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 \$83,765,000 is excluding the unamortized premium of \$8,473,665. The bond premium received upon the issuance of the debt was \$10,405,361 and \$1,931,696 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 is excluding the unamortized premium of \$7,188,219. The bond premium received upon the issuance of the debt was \$7,957,438 and \$769,219 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.

Year	Principal				Interest			
	2015 Water Bond	2017 Wastewater Bond	2019 Electric & Communications Bond	2021 Water Bond	2015 Water Bond	2017 Wastewater Bond	2019 Electric & Communications Bond	2021 Water Bond
2024	180,000	920,000	2,630,000	1,425,000	61,388	735,690	3,775,431	1,640,500
2025	185,000	955,000	2,710,000	1,480,000	56,024	697,878	3,697,215	1,583,500
2026	190,000	995,000	2,795,000	1,540,000	50,511	658,628	3,612,663	1,524,300
2027	195,000	1,035,000	2,885,000	1,600,000	44,849	617,733	3,522,664	1,462,700
2028	205,000	1,160,000	2,980,000	1,665,000	39,038	575,195	3,427,690	1,398,700
2029-2033	1,105,000	6,560,000	16,550,000	9,370,000	100,575	2,119,782	15,482,565	5,940,300
2034-2038	-	6,275,000	20,700,000	11,080,000	-	657,806	11,334,750	4,242,750
2039-2043	-	-	26,415,000	12,840,000	-	-	5,616,000	2,478,000
2044-2046	-	-	6,100,000	8,665,000	-	-	305,000	525,000
Total	\$ 2,060,000	\$ 17,900,000	\$ 83,765,000	\$ 49,665,000	\$ 352,385	\$ 6,062,712	\$ 50,773,978	\$ 20,795,750

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 and construction of a water storage tank. The City has issued revenue bonds which are outstanding through year end for the implementation of communication services for the City of Loveland.

Note 5: Long-Term Liabilities (continued)

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

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.

	<u>Amount Pledged</u>	<u>Term of Commitment</u>
2015 Water Bond	\$ 2,412,385	2033
2017 Wastewater Bond	23,962,712	2037
2019 Electric & Communications Bond	134,538,978	2044
2021 Water Bond	70,460,750	2046
	\$ 231,374,825	

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
2024	475,000	233,981
2025	485,000	222,989
2026	500,000	211,711
2027	510,000	200,146
2028	520,000	188,353
2029-2033	2,795,000	754,841
2034-2038	3,120,000	416,551
2039-2041	2,050,000	71,219
Total	\$ 10,455,000	\$ 2,299,791

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. The principal was reduced by \$26,828 due to a change in the equipment purchased.

Year	Principal	Interest
2024	162,639	23,482
2025	167,086	19,036
2026	171,654	14,467
2027	176,347	9,774
2028	181,167	4,953
Total	\$ 858,893	\$ 71,712

Note 5: Long-Term Liabilities (continued)

E. Equipment Financing Agreements (continued)

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
2024	129,069	14,888
2025	133,659	10,297
2026	138,413	5,543
2027	83,003	972
Total	\$ 484,144	\$ 31,700

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, 2023 is \$1,830,000.

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, 2023, 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.

G. Developer Oversizing Agreements (continued)

The City’s Oversizing Developer Agreement Schedule at December 31, 2023 is as follows:

Project	Date of Contract	Orig Contract Amount	Jan 1, 2023 Balance	Contract Additions	Contract Payments	December 31, 2023 Balance
*Waterford Place 2nd Sub	12/13/02	\$ 507,205	\$ 400,867	\$ -	\$ -	\$ 400,867
Blackbird Knolls 2nd Sub	5/2/05	307,337	307,337	-	-	307,337
Sculptor South of US 34	4/13/07	431,271	51,271	-	51,271	-
Street Oversizing Agreements		\$ 1,245,813	\$ 759,475	\$ -	\$ 51,271	\$ 708,204
Eagle Brook Meadows First Subdivision	4/14/2022	129,950	129,950.00	-	129,950.00	-
Wilson Commons First Subdivision	10/12/2022	198,595	198,595	-	-	198,595
Water Oversizing Agreements		\$ 328,545	\$ 328,545	\$ -	\$ 129,950	\$ 198,595
Anderson First Subdivision	3/1/23	255,618	-	255,618	-	255,618
Waste Water Oversizing Agreements		255,618	-	255,618	-	255,618
TOTAL DEVELOPER AGREEMENTS		\$ 1,829,976	\$ 1,088,020	\$ 255,618	\$ 181,221	\$ 1,162,417

**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 Agreement

On January 20, 2004, the 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 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 loss received was \$(2,027) leaving an ending fund balance of \$49,412.

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.

In 2023, 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 2023-2024 renewal period (7/01/2023 through 6/30/2024) 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 \$15,830,999 in net position for employee benefit

Note 8: Commitments And Contingencies (continued)

A. Risk Management and Employee Benefits (continued)

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 \$3,497,063 in net position for property casualty losses. The Employee Benefits Fund has \$15,830,999 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 \$19,328,062.

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

Description	December 31, 2023	December 31, 2022
Unpaid Claims - Beginning	\$ 3,096,495	\$ 1,882,672
Incurred Claims (includes IBNR's)	13,441,754	11,826,921
Claims Paid	(13,115,754)	(10,613,098)
Unpaid Claims Ending	\$ 3,422,495	\$ 3,096,495

B. Construction Commitments

At December 31, 2023 the City had several construction projects in process. The most significant of these are as follows:

Project	Budget	Cost to date
Chimney Hollow Reservoir	\$ 83,360,679	\$ 75,707,557
P2 Water Pump Station & Discharge 2023	\$ 7,252,504	\$ 5,863,313
Pulliam Building	\$ 7,627,914	\$ 3,924,255
Garfield & Harrison Outfall	\$ 4,595,592	\$ 3,404,236
Olde Course Clubhouse	\$ 5,348,046	\$ 3,241,786

C. Contingent Liabilities

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 2023 are as follows:

	Police Officers	Firefighters	Non-uniformed Employees
Required Contribution Rate			
Employer	10% - 15%	10%	5% - 9%
Employee	10%	10%	3%
Amounts Contributed			
Employer	\$ 1,597,901	\$ 1,125,122	\$ 3,314,643
Employee	1,457,163	1,125,122	1,600,814
Total	\$ 3,055,064	\$ 2,250,244	\$ 4,915,457

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.

Note 9: Retirement Commitments (continued)

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
<hr/> Total Members	<hr/> 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, 2022 is:

Total Pension Liability	\$	3,681,190
Plan Fiduciary Net Position		<hr/> 2,208,199
Net Pension Liability	\$	<hr/> 1,472,991

The Plan is 59.99% 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	\$ 3,897,762	\$ 2,668,000	\$ 1,229,762
Changes for the Year			
Service Cost	-	-	-
Interest	258,785	-	258,785
Difference between expected and actual experience of the Total Pension Liability	(80,573)	-	(80,573)
Changes of Assumptions	13,779		13,779
Contributions - Employer	-	101,700	(101,700)
State of Colorado discretionary payment	-	77,602	(77,602)
Net Investment Income	-	(211,786)	211,786
Benefit Payments, Including Refunds	(408,563)	(408,563)	-
Administrative Expense	-	(18,754)	18,754
Net Changes	(216,572)	(459,801)	243,229
Ending Balance as of 12/31/22	<u>\$ 3,681,190</u>	<u>\$ 2,208,199</u>	<u>\$ 1,472,991</u>

At December 31, 2023, 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	\$ 115,959	\$ -
Employer contributions to the plan subsequent to the measurement date	<u>101,700</u>	<u>-</u>
Total	<u>\$ 217,659</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:	
2024	\$(19,020)
2025	15,711
2026	41,295
2027	77,973
2028	-
Total	<u>\$ 115,959</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, 2022. 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, 2023, 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, 2022 measurement date. 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.
	<u>Disabled</u> 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 *	4.05%

The last year ending December 31 in the 2023 to 2122 projection period for which projected benefit payments are fully funded is year 2122.

Note 9: Retirement Commitments (continued)

B. Defined Benefit Plans (continued)

*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, 2022 ." 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.

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

1% Decrease to 6.0%	\$ 1,770,443
Current Single Discount Rate Assumption of 7.0%	\$ 1,472,991
1% Increase to 8.0%	\$ 1,215,781

8. Long Term Expected Rate of Return:

Asset Class	Target Allocation	Long Term Expected Rate of Return
Global Equity	35%	6.43%
Equity Long/Short	6%	4.97%
Private Capital	34%	7.81%
Fixed Income - Rates	10%	2.95%
Fixed Income - Credit	5%	4.40%
Absolute Return	9%	3.99%
Cash	1%	1.42%
Total	100%	6.09%

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 weighing 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, 2022, 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. An extension was approved in 2013 through 2024 to be used for the same purposes. As of December 31, 2023, \$378,962 is available for these purposes. The full amount is budgeted to be spent in 2024.

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

The City has established an Emergency Reserve, representing 3% of qualifying expenditures, as required by the amendment. At December 31, 2023, the emergency reserve of \$3,831,233 as reported as a restriction of fund balance in the General Fund.

The following table shows revenue and growth items applicable to the revenue limit for 2023.

Actual revenue \$	127,707,767	CPI increase	5.22
Base revenue	127,328,805	Growth increase	3.38
Surplus/(Deficit) \$	378,962	Total increase allowed	8.59

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, 2023 is \$17,054,383.

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	General	Loveland Urban Renewal Authority	Transportation	Capital Expansion Fees	Loveland Fire & Rescue Authority	Capital Projects	Other Governmental Funds	Total Governmental Funds
Nonspendable:								
Inventory	\$ 158	\$ -	\$ 290,740	\$ -	\$ -	\$ -	\$ 38,065	\$ 328,963
Interfund Loan Receivable	20,764	-	-	-	-	-	-	20,764
Permanent Fund	-	-	-	-	-	-	3,723,882	3,723,882
Total Nonspendable	20,922	-	290,740	-	-	-	3,761,947	4,073,609
Restricted								
Tabor 3% Emergency Reserve	3,831,233	-	-	-	-	-	-	3,831,233
Reserve for Excess Tabor	378,962	-	-	-	-	-	-	378,962
Urban Revitalization	-	4,773,686	-	-	-	-	1,533,839	6,307,525
Parks & Recreation	13,349	-	-	-	-	-	5,419,338	5,432,687
Open Space Acquisitions	-	-	-	-	-	-	12,416,101	12,416,101
Law Enforcement	-	-	-	-	-	-	609,641	609,641
Fire & Rescue	-	-	-	-	12,251,009	-	-	12,251,009
Conventions & Tourism	-	-	-	-	-	-	1,056,645	1,056,645
Museum Programs	774,249	-	-	-	-	-	-	774,249
Downtown Maintenance	-	-	-	-	-	-	398,430	398,430
Police Donations	289,923	-	-	-	-	-	-	289,923
Library Books	295,443	-	-	-	-	-	-	295,443
Total Restricted	5,583,159	4,773,686	-	-	12,251,009	-	21,433,994	44,041,848
Committed:								
Future Capital Improvements	-	-	-	53,461,542	-	-	-	53,461,542
Interfund Loan Receivable	-	-	-	1,452,203	-	-	-	1,452,203
Art in Public Places	1,222,069	-	-	-	-	-	-	1,222,069
Public Education	-	-	-	-	-	-	225,369	225,369
Affordable Housing Agreements	-	-	-	-	-	-	1,541,962	1,541,962
Total Committed	1,222,069	-	-	54,913,745	-	-	1,767,331	57,903,145
Assigned								
Parks Capital Improvements	-	-	-	-	-	-	904,068	904,068
Fiber Network	-	-	-	-	-	-	292,411	292,411
Total Assigned	-	-	-	-	-	-	1,196,479	1,196,479
Unassigned:	55,616,388	-	(290,740)	-	-	(771,218)	-	54,554,430
Total Fund Balances	\$ 62,442,538	\$ 4,773,686	\$ -	\$ 54,913,745	\$ 12,251,009	\$ (771,218)	\$ 28,159,751	\$ 161,769,511

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 2023:

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 \$87,829.

Nordson Medical (dba Value Plastics, Inc)

The company built a new manufacturing facility in Loveland and relocated their medical components unit. Through agreements approved in October 2013 and November 2014, the City agreed to waive the building permit fees and use tax in an amount not to exceed \$311,000; waive Capital Expansion Fees and System Impact Fees valued at \$230,000 which were backfilled from the Economic Incentives Fund; and pay \$313,000 for site infrastructure. These agreement terms were fulfilled in 2014 and 2015. The remaining term is the rebate of 100% of the City's portion of the Business Personal Property Tax (BPPT) for five years commencing with the 2017 taxes payable in 2018. The agreement terms are complete, and the final payment was issued in 2023.

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.

Evergreen/Thornton Long Term Investments, LLC (Sprouts development)

City Council approved an incentive agreement with Evergreen Development in January 2015 to develop a Sprouts Farmers Market. In accordance with the agreement terms, the City reimbursed the developer \$2.2 million for public improvements at the site and provided a waiver of building permit fees and materials use tax in an amount not to exceed \$97,000. The company guaranteed a minimum annual collection of City sales tax from the project area, over 10 years, that is equal to the incentive amount plus 3% (\$254, 920 annually). The developer pays the difference if the collection of sales tax at the project falls below the minimum guarantee. The 10-year guarantee period started July 1, 2016, and the City has not exercised the guaranteed provision with Evergreen. In September 2017, Evergreen Development sold the Sprouts property, which triggered the net proceeds provision in the agreement. The City received 40% of the sales proceeds (\$307,000).

Note 12: Tax Abatement (continued)

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 2023 payment (year 5/10) was \$216,486 and was issued in December 2023.

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 2 cents of each 3 cents of city sales tax collected for anchor tenants. For junior anchors, the rebate amount is 2 cents of each 3 cents collected for years 1 through 15 and 1.25 cents of each 3 cents collected for years 16 through 25. For other retailers (non-anchor) the rebate is 1.25 cents for each 3 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.

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.

Metropolitan Theatres Corporation (Metrolux 14 Theatres)

City Council approved a business assistance agreement in August 2020 in support of the Metropolitan Theatres Corporation's plan to convert two existing theatres into an IMAX theatre at 6085 Sky Pond Drive. The cash incentive is for \$200,000 payable after issuance of a certificate of occupancy. The agreement provides a waiver of building permit fees and materials use tax not to exceed \$50,000 combined. The cash incentive is subject to repayment if IMAX does not remain in business for four years following the issuance of a certificate of occupancy. The agreement terms state the certificate of occupancy must be obtained by December 31, 2022. In December 2022, the City Manager approved an addendum to the 2020 agreement extending the project due date to July 1, 2023. The agreement terms are complete, and the cash incentive was issued in 2023.

Love 450 Inc. (Cleveland Station)

The Cleveland Station project is located at the SE corner of 5th and Cleveland Avenue in downtown Loveland. The project rehabilitated 24,402 square feet of retail and office space. The property is located within the Loveland Urban Renewal Authority Downtown Plan Area and in the Downtown Development Authority (DDA). City Council approved an agreement with the DDA and the developer (Love 450, Inc) in January 2021. The terms of the agreement reimbursed the developer up to \$800,000 for the design and construction of eligible public improvement. The project was financed through a bank loan with the property and city sales tax increment, from the project, dedicated to pay the debt service. The City funded a Reserve Fund in an amount equal to 100% of the maximum annual debt service requirements of the loan. The project successfully opened in 2022.

Note 12: Tax Abatement (continued)

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, 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.

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.

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.

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.

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.

Note 12: Tax Abatement (continued)

The City will reimburse the developer 50% or \$335,000 of the design cost if specific terms are met. The remaining \$335,00 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.

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 fifteen and one half years. The City of Loveland depreciates assets using a mid-year convention, the solar panels have been in service for four 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, 2023 was \$1,130,000 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 \$550,000 in 2024. 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 2024. 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 \$260,000 in 2024.
- The City recorded a liability for remediation activities at the NCLETC for periodic removal of lead hazardous waste components from shooting activities. The costs are estimated to be \$20,000 in 2024.

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 \$1,726.35 for 2023. The City recognized \$19,168 in lease revenue and \$8,101 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 \$4,958 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 \$47,652 in lease revenue and \$16,574 in interest revenue during the current year related to these leases.

Leases Payable

In September of 2020, 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 \$23,728. The lease agreement expired July 31, 2023. The City was required to make monthly principal and interest payments of \$655 for one of the vehicles and \$626 for the other vehicle.

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, 2023, the value of the lease liability was \$9,106. The City is required to make monthly principal and interest payments of \$715 for one of the vehicles and \$599 for the other vehicle. The vehicles have an estimated useful life equal to the lease term.

In September of 2023, 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 \$42,935 during the current year. As of December 31, 2023, the value of the lease liability was \$36,044. 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 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, 2023, the value of the lease liability was \$108,496. The City is required to make monthly principal and interest payments of

Note 15: Leases (continued)

Leases Payable (continued)

\$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. As of December 31, 2023, the value of the lease liability was \$51,729. The City was required to make monthly principal and interest payments of \$1,287 for 2023. The lease calls for a 2.0% 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 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, 2023, the value of the lease liability was \$106,729. The City was required to make monthly principal and interest payments of \$2,196 for 2023. The lease calls for a 3.0% escalation in the monthly rental payments 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. As of December 31, 2023, the value of the lease liability was \$38,933. The City was required to make monthly principal and interest payments of \$3,832 through October of 2023 and \$3,947 for November and December. 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 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. As of December 31, 2023, the value of the lease liability was \$339,558. The City was required to make monthly principal and interest payments of \$4,200 for 2023. The monthly payment will increase by \$200 on December 1, 2024, 2026 and 2028, for a final monthly payment of \$4,800, which is reflected in the calculation of the lease liability. The rental property has an estimated useful life equal to the lease term.

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. As of December 31, 2023, the value of the lease liability was \$755,852. The City was required to make principal and interest payments of \$18,725 through June of 2023 and \$19,142 for July through December. The monthly payment will increase to by \$416.67 annually on the anniversary date of the lease, which is reflected in the calculation of the lease liability. The rental property has an estimated useful life equal to the lease term.

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. As of December 31, 2023, the value of the lease liability was \$10,125. The City was required to make monthly principal and interest payments of \$246 through May of 2023 and \$253 for June through December. The monthly payment will increase to by \$7.34 annually on the anniversary date of the lease, which is reflected in the calculation of the lease liability. The rental property has an estimated useful life equal to the lease term.

Note 15: Leases (continued)

Leases Payable (continued)

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, 2023, the value of the lease liability was \$4,652,849. The City is required to make quarterly principal and interest payments of \$51,521 for 2023. The rental property has an estimated useful life equal to the lease term.

The future principal and interest lease payments as of December 31, 2023, were as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 455,927	\$ 201,075
2025	421,849	187,409
2026	388,443	174,835
2027	214,620	164,560
2028	101,169	160,315
2029 - 2033	384,160	756,660
2034 - 2038	329,896	700,524
2039 - 2043	392,887	637,533
2044 - 2048	467,906	562,514
2049 - 2053	557,250	473,170
2054 - 2058	663,653	366,767
2059 - 2063	790,372	240,048
2064 - 2068	941,288	89,132

Note 16: Subscription Based Information Technology Agreements

Agreements Payable

In July of 2018, the City entered into an eight year agreement as lessee for the use of OpenGov Reporting & Analysis software. An initial lease liability was recorded in the amount of \$56,401. During 2023, the agreement was cancelled and the corresponding liability and right-to-use asset were eliminated.

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, 2023, the value of the lease liability was \$7,881. 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, 2023, the value of the lease liability was \$1,148,435. 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 during the current year. As of December 31, 2023, the value of the lease liability was \$117,888. 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, 2023, were as follows:

Year	Principal	Interest
2024	336,132	31,599
2025	346,654	21,077
2026	291,279	11,872
2027	300,138	3,013

Note 17: Subsequent Events

On November 7, 2023, the City's electors approved a ballot measure amending the City's charter to expressly exempt food for domestic home consumption from the City's 3% sales tax. The amendment became effective on January 1, 2024. The City expects to realize a significant reduction in sales tax revenue due to this amendment.

On May 16, 2024, the City issued Stormwater revenue bonds in the amount of \$17,450,000 to finance the cost of three stormwater projects: the completion of phases 3 and 4 of the Garfield & Harrison Outfall, the "Heart Improvement Program" ("HIP") to modernize aging/failing stormwater lines, and an addition to the Stormwater Division Building. The bonds will be paid solely from the net revenues of the system and certain special funds pledged to the payment of the bonds.

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, 2023

	Budgeted Amounts (unaudited)			Difference with Final Budget
	Original	Final	Actual	
Revenues:				
Taxes	\$ 84,785,551	\$ 84,785,551	\$ 86,047,976	\$ 1,262,425
Licenses and Permits	3,168,801	3,168,801	4,499,507	1,330,706
Fines and Penalties	968,010	988,010	578,234	(409,776)
Intergovernmental	1,971,709	5,993,170	8,258,347	2,265,177
Charges for Services	4,680,629	4,852,629	5,474,070	621,441
Investment Earnings (Loss)	500,000	500,000	3,978,583	3,478,583
Payment in Lieu of Taxes	10,229,190	10,229,190	9,484,927	(744,263)
Contributions	-	-	24,166	24,166
Miscellaneous	961,036	1,080,836	1,553,055	472,219
Total Revenues	107,264,926	111,598,187	119,898,865	8,300,678
Expenditures:				
Current:				
Legislative	134,764	179,764	187,949	(8,185)
City Manager	3,718,413	5,672,668	4,782,776	889,892
City Attorney	1,683,589	1,739,667	1,846,549	(106,882)
City Clerk	931,400	1,010,400	891,116	119,284
Municipal Court	972,778	967,778	797,575	170,203
Finance	8,144,203	8,403,103	7,451,592	951,511
Human Resources	1,959,600	2,107,054	1,837,989	269,065
Information Technology	4,884,817	5,366,228	4,812,105	554,123
Economic Development	1,805,820	2,110,820	1,652,454	458,366
Development Services	3,476,709	3,485,480	3,411,951	73,529
Public Works	9,660,700	10,064,427	9,924,304	140,123
Police	30,867,371	33,420,397	35,059,768	(1,639,371)
Parks & Recreation	11,415,259	11,955,556	11,514,472	441,084
Library	3,552,993	4,255,372	3,472,520	782,852
Cultural Services	2,642,091	2,941,938	2,476,281	465,657
General Government	12,465,996	14,615,567	11,203,449	3,412,118
Capital Outlay	4,821,030	11,902,337	8,266,298	3,636,039
Debt Service				
Principal	400,000	400,000	857,989	(457,989)
Interest and debt service costs	1,367,566	1,367,566	732,804	634,762
Total Expenditures	104,905,099	121,966,122	111,179,941	10,786,181
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,359,827	(10,367,935)	8,718,924	19,086,859
Other Financing Sources (Uses):				
Transfers In	503,246	924,188	521,783	(402,405)
Transfers (Out)	(24,651,284)	(40,918,530)	(14,873,821)	26,044,709
Lease and SBITA agreements entered into	-	-	4,912,449	4,912,449
Total Other Financing Sources (Uses)	(24,148,038)	(39,994,342)	(9,439,589)	30,554,753
Net Change in Fund Balance	(21,788,211)	(50,362,277)	(720,665)	49,641,612
Fund Balance--Beginning	63,163,203	63,163,203	63,163,203	-
Fund Balance--Ending	\$ 41,374,992	\$ 12,800,926	\$ 62,442,538	\$ 49,641,612

See accompanying independent auditors' report.

City of Loveland, Colorado
Loveland Urban Renewal Authority
Budgetary Comparison Schedule
For the Year Ended December 31, 2023

	Budgeted Amounts (unaudited)		Actual	Difference with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 25,745,520	\$ 25,745,520	\$ 20,804,312	\$ (4,941,208)
Intergovernmental	1,000,000	1,000,000	-	(1,000,000)
Investment Earnings (Loss)	41,000	41,000	139,487	98,487
Miscellaneous	10,000	10,000	12,069	2,069
Total Revenues	26,796,520	26,796,520	20,955,868	(5,840,652)
Expenditures:				
Current:				
Services	2,251,217	2,638,564	247,405	2,391,159
School District Fund	1,000,000	1,000,000	2,447,798	(1,447,798)
Distribution of Tax Increment Financing	21,000,000	21,000,000	17,205,685	3,794,315
Capital Outlay	4,000,000	4,288,610	145,444	4,143,166
Principal	1,021,020	1,021,020	-	1,021,020
Interest and debt service costs	72,190	72,190	72,190	-
Total Expenditures	29,344,427	30,020,384	20,118,522	9,901,862
Net Change in Fund Balance	(2,547,907)	(3,223,864)	837,346	4,061,210
Fund Balance--Beginning	3,936,340	3,936,340	3,936,340	-
Fund Balance--Ending	\$ 1,388,433	\$ 712,476	\$ 4,773,686	\$ 4,061,210

See accompanying independent auditors' report.

City of Loveland, Colorado
Transportation
Budgetary Comparison Schedule
For the Year Ended December 31, 2023

	Budgeted Amounts (unaudited)		Actual	Difference with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 78,000	\$ 78,000	\$ 103,402	\$ 25,402
Licenses and Permits	219,500	219,500	205,562	(13,938)
Intergovernmental	8,055,789	14,331,540	4,441,264	(9,890,276)
Charges for Services	3,696,076	3,891,154	4,392,657	501,503
Investment Earnings (Loss)	1,000	1,000	9,114	8,114
Miscellaneous	109,400	1,502,200	213,722	(1,288,478)
Total Revenues	12,159,765	20,023,394	9,365,721	(10,657,673)
Expenditures:				
Current:				
Public Works	12,057,017	16,112,686	14,295,899	1,816,787
Capital Outlay	24,463,721	38,444,599	12,222,448	26,222,151
Interest and debt service costs	31,124	31,124	31,124	-
Total Expenditures	36,551,862	54,588,409	26,549,471	28,038,938
Excess (Deficiency) of Revenues Over (Under) Expenditures	(24,392,097)	(34,565,015)	(17,183,750)	17,381,265
Other Financing Sources (Uses):				
Transfers In	24,596,917	34,825,489	16,920,506	(17,904,983)
Transfers (Out)	(204,820)	(260,474)	(124,430)	136,044
Total Other Financing Sources (Uses)	24,392,097	34,565,015	16,796,076	(17,768,939)
Net Change in Fund Balance	-	-	(387,674)	(387,674)
Fund Balance--Beginning	-	-	-	-
Fund Balance--Ending	\$ -	\$ -	\$ (387,674)	\$ (387,674)

See accompanying independent auditors' report.

City of Loveland, Colorado
Loveland Fire Rescue Authority
Budgetary Comparison Schedule
For the Year Ended December 31, 2023

	Budgeted Amounts (unaudited)		Actual	Difference with Final Budget
	Original	Final		
Revenues:				
Licenses and Permits	\$ 210,000	\$ 250,000	\$ 295,300	\$ 45,300
Intergovernmental	21,496,975	23,478,266	25,489,209	2,010,943
Charges for Services	1,934,404	1,989,749	2,096,074	106,325
Investment Earnings (Loss)	-	-	614,498	614,498
Miscellaneous	2,092,988	2,285,988	2,539,198	253,210
Total Revenues	25,734,367	28,004,003	31,034,279	3,030,276
Expenditures:				
Current:				
Fire	23,839,838	27,172,182	26,734,848	437,334
Capital Outlay	1,296,300	6,910,229	2,374,618	4,535,611
Principal	800,000	800,000	596,483	203,517
Interest and debt service costs	-	-	272,554	(272,554)
Total Expenditures	25,936,138	34,882,411	29,978,503	4,903,908
Excess (Deficiency) of Revenues Over (Under) Expenditures	(201,771)	(6,878,408)	1,055,776	7,934,184
Other Financing Sources (Uses):				
Transfers In	-	-	2,472	2,472
Total Other Financing Sources (Uses)	-	-	2,472	2,472
Net Change in Fund Balance	(201,771)	(6,878,408)	1,058,248	7,936,656
Fund Balance--Beginning	11,192,761	11,192,761	11,192,761	-
Fund Balance--Ending	\$ 10,990,990	\$ 4,314,353	\$ 12,251,009	\$ 7,936,656

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
2023	\$ 188,189	\$ 188,189	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%
2014	182,799	182,799	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 eligibilty 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,	2023	2022	2021	2020
Measurement period ending December 31,	2022	2021	2020	2019
Total Pension Liability				
Service Cost				\$ -
Interest on the Total Pension Liability	258,785	268,704	260,104	270,052
Benefit Changes				-
Difference between Expected and Actual Experience	(80,573)		273,482	-
Assumption Changes	13,779			-
Benefit Payments	(408,563)	(412,165)	(409,356)	(414,869)
Net Change in Total Pension Liability	(216,572)	(143,461)	124,230	(144,817)
Total Pension Liability - Beginning	3,897,762	4,041,223	3,916,993	4,061,810
Total Pension Liability - Ending (a)	3,681,190	3,897,762	4,041,223	3,916,993
Plan Fiduciary Net Position				
Employer Contributions	101,700	101,700	101,700	123,400
Pension Plan Net Investment Income	(211,786)	352,164	291,913	334,026
Benefit Payments	(408,563)	(412,165)	(409,356)	(414,869)
Pension Plan Administrative Expense	(18,754)	(18,509)	(14,563)	(16,647)
State of Colorado Supplemental Discretionary Payment	77,602	138,464	65,665	-
Net Change in Plan Fiduciary Net Position	(459,801)	161,654	35,359	25,910
Plan Fiduciary Net Position - Beginning	2,668,000	2,506,346	2,470,987	2,445,077
Plan Fiduciary Net Position - Ending (b)	2,208,199	2,668,000	2,506,346	2,470,987
Net Pension Liability - Ending (a) - (b)	\$ 1,472,991	\$ 1,229,762	\$ 1,534,877	\$ 1,446,006
Plan Fiduciary Net Position as a Percentage of Total				
Pension Liability	59.99%	68.45%	62.02%	63.08%
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

Note to Schedule:

This schedule is required to show information for 10 years. However, until a full 10 year trend is compiled, only nine years information is presented.

2019	2018	2017	2016	2015
2018	2017	2016	2015	2014
\$ -	\$ -	7,212	7,212	9,256
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
(409,231)	(398,494)	(396,888)	(368,980)	(371,640)
181,980	(113,656)	448,345	(101,585)	161,364
3,879,830	3,993,486	3,545,141	3,646,726	3,485,362
4,061,810	3,879,830	3,993,486	3,545,141	3,646,726
	101,670	91,175	101,434	96,210
2,940	360,131	133,811	51,437	183,273
(409,231)	(398,494)	(396,888)	(368,980)	(371,640)
(14,627)	(14,890)	(4,314)	(6,397)	(4,607)
173,178	-	86,589	86,589	86,589
(247,740)	48,417	(89,627)	(135,917)	(10,175)
2,692,817	2,644,400	2,734,027	2,869,944	2,880,119
2,445,077	2,692,817	2,644,400	2,734,027	2,869,944
\$ 1,616,733	\$ 1,187,013	\$ 1,349,086	\$ 811,114	\$ 776,782
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

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 \$213,719,051 were approved during 2023 - of which \$153,403,038 was for non-lapsing capital and grant funded projects, \$23,747,124 was approved via the "Mid-Year Budget Package" and \$10,186,921 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 Risk & Insurance fund had a deficit budget due to open claims higher than anticipated. Appropriate measures have been taken to prevent future overages, including budget preparation review by the Finance department.
- The Transportation and Capital Projects funds show negative fund balances as of December 31, 2023. The shortage in the Transportation fund is due to revenue originally recorded that was reclassified as unearned. The revenue should be recognized in 2024 to eliminate the fund deficit. The shortage in the Capital Projects fund is due to funding for projects not being provided. Funds are being transferred from other funds to reduce the deficit.
- 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, 2023

	Budgeted Amounts (unaudited)		Actual	Difference with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 467,744	\$ 467,744
Charges for Services	7,999,711	7,999,711	10,949,719	2,950,008
Investment Earnings (Loss)	276,040	276,040	1,928,776	1,652,736
Miscellaneous	196,983	196,983	88,634	(108,349)
Total Revenues	8,472,734	8,472,734	13,434,873	4,962,139
Expenditures				
Public Works	-	87,526	-	87,526
Police	-	(356,566)	-	(356,566)
Parks & Recreation	71,498	391,257	72,790	318,467
Library	-	7,159	-	7,159
General Government	-	427,834	153,489	274,345
Capital Outlay	1,990,000	12,759,869	1,566,499	11,193,370
Total Expenditures	2,061,498	13,317,079	1,792,778	11,524,301
Excess (deficiency) of revenues over (under) expenditures	6,411,236	(4,844,345)	11,642,095	16,486,440
Other Financing Sources (Uses):				
Transfers (Out)	(7,431,550)	(13,064,453)	(4,698,532)	8,365,921
Total Other Financing Sources (Uses)	(7,431,550)	(13,064,453)	(4,698,532)	8,365,921
Net Change in Fund Balance	(1,020,314)	(17,908,798)	6,943,563	24,852,361
Fund Balance--Beginning	47,970,182	47,970,182	47,970,182	-
Fund Balance--Ending	\$ 46,949,868	\$ 30,061,384	\$ 54,913,745	\$ 24,852,361

See accompanying independent auditors' report.

City of Loveland, Colorado
Capital Project Funds
Budgetary Comparison Schedule
For the Year Ended December 31, 2023

	Budgeted Amounts (unaudited)		Actual	Difference with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 166,025	\$ 166,025
Investment Earnings (Loss)	-	-	100,205	100,205
Contributions	-	-	(57,100)	(57,100)
Miscellaneous	980,000	1,030,000	402,732	(627,268)
Total Revenues	980,000	1,030,000	611,862	(418,138)
Expenditures				
Information Technology	1,075,000	1,450,000	174,998	1,275,002
Public Works	-	116,951	669,863	(552,912)
Police	-	-	4,570	(4,570)
Parks & Recreation	-	-	107,624	(107,624)
Capital Outlay	7,894,731	19,095,397	1,427,396	17,668,001
Total Expenditures	8,969,731	20,662,348	2,384,451	18,277,897
Excess (deficiency) of revenues over (under) expenditures	(7,989,731)	(19,632,348)	(1,772,589)	17,859,759
Other Financing Sources (Uses):				
Transfers In	8,025,917	19,682,284	2,287,169	(17,395,115)
Transfers (Out)	(36,186)	(357,063)	(11,645)	345,418
Total Other Financing Sources (Uses)	7,989,731	19,325,221	2,275,524	(17,049,697)
Net Change in Fund Balance	-	(307,127)	502,935	810,062
Fund Balance--Beginning	(1,274,153)	(1,274,153)	(1,274,153)	-
Fund Balance--Ending	\$ (1,274,153)	\$ (1,581,280)	\$ (771,218)	\$ 810,062

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.

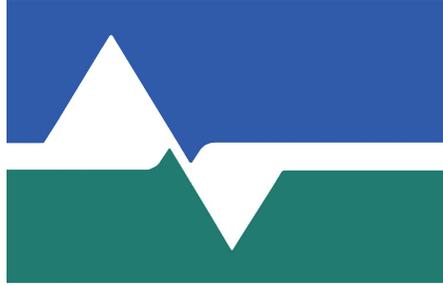
POLICE TRAINING CAMPUS—to account for operations and maintenance of the Police Training Campus. Funding is provided jointly by the City of Loveland and the City of Fort Collins.

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, 2023

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	102,637	1,049,071	15,899	1,926,050	751,775	14,826
Equity in Pooled Investments	294,230	3,877,523	26,092	8,598,188	778,911	5,907
Receivables (Net):						
Taxes	80,653	-	-	526,856	1,076,732	-
Accounts	-	-	-	-	-	-
Grants	-	34,855	4,231	295,875	-	-
Lease Receivable	-	-	-	543,956	-	-
Accrued Interest	1,136	15,510	213	33,650	3,153	51
Inventory	-	-	-	-	-	-
Restricted Assets:						
Equity in Pooled Restricted Cash	-	500,000	-	1,233,701	-	-
Total Assets	478,656	5,476,959	46,435	13,158,276	2,610,571	20,784
LIABILITIES						
Accounts Payable	-	9,609	46,072	118,747	-	17,470
Accrued Liabilities	-	13,157	363	37,579	-	3,314
Total Liabilities	-	22,766	46,435	156,326	-	20,784
DEFERRED INFLOWS OF RESOURCES						
Deferred Property Taxes	80,226	-	-	-	1,076,732	-
Deferred Inflow from Leases	-	-	-	506,769	-	-
Unavailable Other Revenue	-	34,855	-	79,080	-	-
Total Deferred Inflows of Resources	80,226	34,855	-	585,849	1,076,732	-
Total Liabilities and Deferred Inflows of Resources	80,226	57,621	46,435	742,175	1,076,732	20,784
Fund Balances:						
Nonspendable	-	-	-	-	-	-
Restricted	398,430	5,419,338	-	12,416,101	1,533,839	-
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Total Fund Balances	398,430	5,419,338	-	12,416,101	1,533,839	-
Total Liabilities and Fund Balances	\$ 478,656	\$ 5,476,959	\$ 46,435	\$ 13,158,276	\$ 2,610,571	\$ 20,784

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	
\$ -	\$ -	\$ 300	\$ -	\$ -	\$ -	\$ -	\$ -	
532,456	9,280	204,612	24,236	32,029	278,217	72,779	727,145	
1,005,502	39,991	759,422	188,487	261,240	276,028	392,015	2,986,079	
-	-	47,612	12,030	-	-	-	-	
-	-	3,423	-	-	38,731	-	-	
-	-	65,744	-	-	-	-	-	
-	-	263,169	-	-	-	-	-	
4,004	140	2,764	616	844	1,573	2,554	10,658	
-	-	38,065	-	-	-	-	-	
-	-	-	-	-	-	436,769	-	
1,541,962	49,411	1,385,111	225,369	294,113	594,549	904,117	3,723,882	
-	-	15,938	-	1,702	26,274	49	-	
-	-	25,275	-	-	8,045	-	-	
-	-	41,213	-	1,702	34,319	49	-	
-	-	-	-	-	-	-	-	
-	-	249,188	-	-	-	-	-	
-	-	-	-	-	-	-	-	
-	-	249,188	-	-	-	-	-	
-	-	290,401	-	1,702	34,319	49	-	
-	-	38,065	-	-	-	-	3,723,882	
-	49,411	1,056,645	-	-	560,230	-	-	
1,541,962	-	-	225,369	-	-	-	-	
-	-	-	-	292,411	-	904,068	-	
1,541,962	49,411	1,094,710	225,369	292,411	560,230	904,068	3,723,882	
\$ 1,541,962	\$ 49,411	\$ 1,385,111	\$ 225,369	\$ 294,113	\$ 594,549	\$ 904,117	\$ 3,723,882	

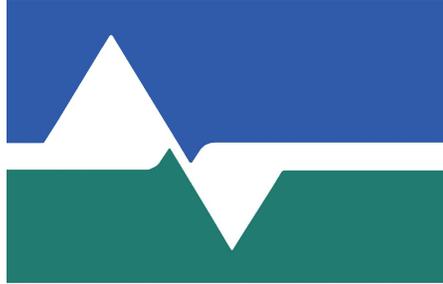
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City of Loveland, Colorado
Combining Balance Sheet
Non-Major Governmental Funds
December 31, 2023

	Total
ASSETS	
Cash	\$ 300
Equity in Pooled Cash	5,741,012
Equity in Pooled Investments	19,489,615
Receivables (Net):	
Taxes	1,743,883
Accounts	42,154
Grants	400,705
Lease Receivable	807,125
Accrued Interest	76,866
Inventory	38,065
Restricted Assets:	
Equity in Pooled Restricted Cash	2,170,470
Total Assets	30,510,195
LIABILITIES	
Accounts Payable	235,861
Accrued Liabilities	87,733
Total Liabilities	323,594
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Taxes	1,156,958
Deferred Inflow from Leases	755,957
Unavailable Other Revenue	113,935
Total Deferred Inflows of Resources	2,026,850
Total Liabilities and Deferred Inflows of Resources	2,350,444
Fund Balances:	
Nonspendable	3,761,947
Restricted	21,433,994
Committed	1,767,331
Assigned	1,196,479
Total Fund Balances	28,159,751
Total Liabilities and Fund Balances	\$ 30,510,195

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, 2023

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	\$ 69,843	\$ -	\$ -	\$ 2,964,380	\$ 528,417	\$ -
Intergovernmental	-	1,082,925	308,074	216,795	-	531,241
Charges for Services	-	-	-	-	-	-
Investment Earnings (Loss)	11,803	202,655	(276)	416,977	25,489	106
Miscellaneous	-	-	-	111,121	89,747	-
Total Revenues	81,646	1,285,580	307,798	3,709,273	643,653	531,347
Expenditures:						
Current:						
City Manager	-	-	307,798	-	-	-
Information Technology	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-
Public Works	-	-	-	-	-	531,347
Police	-	-	-	-	-	-
Parks & Recreation	-	404,640	-	1,730,010	-	-
General Government	5,680	-	-	-	8,652	-
Capital Outlay	-	295,946	-	1,340,036	89,747	-
Total Expenditures	5,680	700,586	307,798	3,070,046	98,399	531,347
Excess (Deficiency) of Revenues Over Expenditures	75,966	584,994	-	639,227	545,254	-
Other Financing Sources (Uses):						
Transfers In	-	-	-	-	-	-
Transfers (Out)	-	-	-	(98)	(897)	-
Total Other Financing Sources (Uses)	-	-	-	(98)	(897)	-
Net Change in Fund Balance	75,966	584,994	-	639,129	544,357	-
Fund Balances--Beginning	322,464	4,834,344	-	11,776,972	989,482	-
Fund Balances--Ending	\$ 398,430	\$ 5,419,338	\$ -	\$ 12,416,101	\$ 1,533,839	\$ -

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
\$ -	\$ -	\$ 1,394,520	\$ 56,823	\$ -	\$ -	\$ -	\$ -
-	-	65,744	-	-	283,603	-	-
-	-	-	-	-	110,540	115,466	118,900
42,225	2,026	28,128	19,251	16,215	5,846	28,880	149,319
153,014	-	240,250	-	-	283,602	14,407	-
195,239	2,026	1,728,642	76,074	16,215	683,591	158,753	268,219
400,423	-	-	-	-	-	-	-
-	-	-	140,865	-	-	-	-
-	-	1,534,783	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	567,372	-	-
-	-	-	-	-	-	12,911	-
-	-	-	-	-	-	-	-
-	-	-	-	41,527	-	66,334	22,550
400,423	-	1,534,783	140,865	41,527	567,372	79,245	22,550
(205,184)	2,026	193,859	(64,791)	(25,312)	116,219	79,508	245,669
450,000	-	5,000	-	-	-	-	-
-	-	(10,000)	-	-	-	(369)	-
450,000	-	(5,000)	-	-	-	(369)	-
244,816	2,026	188,859	(64,791)	(25,312)	116,219	79,139	245,669
1,297,146	47,385	905,851	290,160	317,723	444,011	824,929	3,478,213
\$ 1,541,962	\$ 49,411	\$ 1,094,710	\$ 225,369	\$ 292,411	\$ 560,230	\$ 904,068	\$ 3,723,882

(Continued)

City of Loveland, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended December 31, 2023

	Total
Revenues:	
Taxes	\$ 5,013,983
Intergovernmental	2,488,382
Charges for Services	344,906
Investment Earnings (Loss)	948,644
Miscellaneous	892,141
Total Revenues	9,688,056
Expenditures:	
Current:	
City Manager	708,221
Information Technology	140,865
Economic Development	1,534,783
Public Works	531,347
Police	567,372
Parks & Recreation	2,147,561
General Government	14,332
Capital Outlay	1,856,140
Total Expenditures	7,500,621
Excess (Deficiency) of Revenues Over Expenditures	2,187,435
Other Financing Sources (Uses):	
Transfers In	455,000
Transfers (Out)	(11,364)
Total Other Financing Sources (Uses)	443,636
Net Change in Fund Balance	2,631,071
Fund Balances--Beginning	25,528,680
Fund Balances--Ending	\$ 28,159,751

See accompanying independent auditors' report.

City of Loveland, Colorado
General Improvement District #1
Budgetary Comparison Schedule
For the Year Ended December 31, 2023

	Budgeted Amounts (unaudited)		Actual	Difference with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 55,000	\$ 55,000	\$ 69,843	\$ 14,843
Investment Earnings (Loss)	1,500	1,500	11,803	10,303
Total Revenues	56,500	56,500	81,646	25,146
Expenditures:				
Current:				
General Government	19,300	299,300	5,680	293,620
Total Expenditures	19,300	299,300	5,680	293,620
Net Change in Fund Balance	37,200	(242,800)	75,966	318,766
Fund Balance--Beginning	322,464	322,464	322,464	-
Fund Balance--Ending	\$ 359,664	\$ 79,664	\$ 398,430	\$ 318,766

See accompanying independent auditors' report.

City of Loveland, Colorado
Conservation Trust
Budgetary Comparison Schedule
For the Year Ended December 31, 2023

	Budgeted Amounts (unaudited)		Actual	Difference with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,454,250	\$ 2,054,250	\$ 1,082,925	\$ (971,325)
Investment Earnings (Loss)	83,462	83,462	202,655	119,193
Total Revenues	1,537,712	2,137,712	1,285,580	(852,132)
Expenditures:				
Current:				
Parks & Recreation	502,130	537,200	404,640	132,560
Capital Outlay	2,300,000	3,702,980	295,946	3,407,034
Total Expenditures	2,802,130	4,240,180	700,586	3,539,594
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,264,418)	(2,102,468)	584,994	2,687,462
Other Financing Sources (Uses):				
Transfers (Out)	(700,000)	-	-	-
Total Other Financing Sources (Uses)	(700,000)	-	-	-
Net Change in Fund Balance	(1,964,418)	(2,102,468)	584,994	2,687,462
Fund Balance--Beginning	4,834,344	4,834,344	4,834,344	-
Fund Balance--Ending	\$ 2,869,926	\$ 2,731,876	\$ 5,419,338	\$ 2,687,462

See accompanying independent auditors' report.

City of Loveland, Colorado
Community Development Block Grant
Budgetary Comparison Schedule
For the Year Ended December 31, 2023

	Budgeted Amounts (unaudited)		Actual	Difference with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 377,890	\$ 836,127	\$ 308,074	\$ (528,053)
Investment Earnings (Loss)	-	-	(276)	(276)
Total Revenues	377,890	836,127	307,798	(528,329)
Expenditures:				
Current:				
City Manager	377,890	836,127	307,798	528,329
Total Expenditures	377,890	836,127	307,798	528,329
Net Change in Fund Balance	-	-	-	-
Fund Balance--Beginning	-	-	-	-
Fund Balance--Ending	\$ -	\$ -	\$ -	\$ -

See accompanying independent auditors' report.

City of Loveland, Colorado
Larimer County Open Space
Budgetary Comparison Schedule
For the Year Ended December 31, 2023

	Budgeted Amounts (unaudited)		Actual	Difference with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 2,800,000	\$ 2,800,000	\$ 2,964,380	\$ 164,380
Intergovernmental	-	-	216,795	216,795
Investment Earnings (Loss)	100,000	100,000	416,977	316,977
Miscellaneous	100,000	100,000	111,121	11,121
Total Revenues	3,000,000	3,000,000	3,709,273	709,273
Expenditures:				
Parks & Recreation	1,689,747	2,051,447	1,730,010	321,437
Capital Outlay	6,135,000	10,301,297	1,340,036	8,961,261
Total Expenditures	7,824,747	12,352,744	3,070,046	9,282,698
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,824,747)	(9,352,744)	639,227	9,991,971
Other Financing Sources (Uses):				
Transfers (Out)	(200,000)	-	(98)	(98)
Total Other Financing Sources (Uses)	(200,000)	-	(98)	(98)
Net Change in Fund Balance	(5,024,747)	(9,352,744)	639,129	9,991,873
Fund Balance--Beginning	11,776,972	11,776,972	11,776,972	-
Fund Balance--Ending	\$ 6,752,225	\$ 2,424,228	\$ 12,416,101	\$ 9,991,873

See accompanying independent auditors' report.

City of Loveland, Colorado
Downtown Development Authority
Budgetary Comparison Schedule
For the Year Ended December 31, 2023

	Budgeted Amounts (unaudited)		Actual	Difference with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 310,400	\$ 310,400	\$ 528,417	\$ 218,017
Investment Earnings (Loss)	4,000	4,000	25,489	21,489
Miscellaneous	-	-	89,747	89,747
Total Revenues	314,400	314,400	643,653	329,253
Expenditures:				
General Government	200,727	727	8,652	(7,925)
Capital Outlay	-	200,000	89,747	110,253
Total Expenditures	200,727	200,727	98,399	102,328
Excess (Deficiency) of Revenues Over (Under) Expenditures	113,673	113,673	545,254	431,581
Other Financing Sources (Uses):				
Transfers (Out)	-	-	(897)	(897)
Total Other Financing Sources (Uses)	-	-	(897)	(897)
Net Change in Fund Balance	113,673	113,673	544,357	430,684
Fund Balance--Beginning	989,482	989,482	989,482	-
Fund Balance--Ending	\$ 1,103,155	\$ 1,103,155	\$ 1,533,839	\$ 430,684

See accompanying independent auditors' report.

City of Loveland, Colorado
Loveland Larimer Building Authority
Budgetary Comparison Schedule
For the Year Ended December 31, 2023

	Budgeted Amounts (unaudited)		Actual	Difference with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 775,840	\$ 873,386	\$ 531,241	\$ (342,145)
Investment Earnings (Loss)	-	-	106	106
Total Revenues	775,840	873,386	531,347	(342,039)
Expenditures:				
Current:				
Public Works	775,840	775,840	531,347	244,493
Capital Outlay	-	97,546	-	97,546
Total Expenditures	775,840	873,386	531,347	342,039
Net Change in Fund Balance	-	-	-	-
Fund Balance--Beginning	-	-	-	-
Fund Balance--Ending	\$ -	\$ -	\$ -	\$ -

See accompanying independent auditors' report.

City of Loveland, Colorado
Affordable Housing
Budgetary Comparison Schedule
For the Year Ended December 31, 2023

	Budgeted Amounts (unaudited)		Actual	Difference with Final Budget
	Original	Final		
Revenues:				
Investment Earnings (Loss)	\$ -	\$ -	\$ 42,225	\$ 42,225
Miscellaneous	-	-	153,014	153,014
Total Revenues	-	-	195,239	195,239
Expenditures:				
City Manager	450,000	1,295,543	400,423	895,120
Total Expenditures	450,000	1,295,543	400,423	895,120
Excess (Deficiency) of Revenues Over (Under) Expenditures	(450,000)	(1,295,543)	(205,184)	1,090,359
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	-	(845,543)	244,816	1,090,359
Fund Balance--Beginning	1,297,146	1,297,146	1,297,146	-
Fund Balance--Ending	\$ 1,297,146	\$ 451,603	\$ 1,541,962	\$ 1,090,359

See accompanying independent auditors' report.

City of Loveland, Colorado
Police Seizures & Forfeitures
Budgetary Comparison Schedule
For the Year Ended December 31, 2023

	Budgeted Amounts (unaudited)		Actual	Difference with Final Budget
	Original	Final		
Revenues:				
Investment Earnings (Loss)	\$ -	\$ -	\$ 2,026	\$ 2,026
Total Revenues	-	-	2,026	2,026
Net Change in Fund Balance	-	-	2,026	2,026
Fund Balance--Beginning	47,385	47,385	47,385	-
Fund Balance--Ending	\$ 47,385	\$ 47,385	\$ 49,411	\$ 2,026

See accompanying independent auditors' report.

City of Loveland, Colorado
Lodging Tax
Budgetary Comparison Schedule
For the Year Ended December 31, 2023

	Budgeted Amounts (unaudited)		Actual	Difference with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 1,083,206	\$ 1,083,206	\$ 1,394,520	\$ 311,314
Intergovernmental	100,000	275,000	65,744	(209,256)
Investment Earnings (Loss)	-	-	28,128	28,128
Miscellaneous	88,000	88,000	240,250	152,250
Total Revenues	1,271,206	1,446,206	1,728,642	282,436
Expenditures:				
Economic Development	1,436,470	1,633,974	1,534,783	99,191
Total Expenditures	1,436,470	1,633,974	1,534,783	99,191
Excess (Deficiency) of Revenues Over (Under) Expenditures	(165,264)	(187,768)	193,859	381,627
Other Financing Sources (Uses):				
Transfers In	5,000	10,004	5,000	(5,004)
Transfers (Out)	(10,000)	(10,000)	(10,000)	-
Total Other Financing Sources (Uses)	(5,000)	4	(5,000)	(5,004)
Net Change in Fund Balance	(170,264)	(187,764)	188,859	376,623
Fund Balance--Beginning	905,851	905,851	905,851	-
Fund Balance--Ending	\$ 735,587	\$ 718,087	\$ 1,094,710	\$ 376,623

See accompanying independent auditors' report.

City of Loveland, Colorado
PEG Fee
Budgetary Comparison Schedule
For the Year Ended December 31, 2023

	Budgeted Amounts (unaudited)		Actual	Difference with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 80,000	\$ 160,000	\$ 56,823	\$ (103,177)
Investment Earnings (Loss)	-	-	19,251	19,251
Total Revenues	80,000	160,000	76,074	(83,926)
Expenditures:				
Current:				
Information Technology	50,000	130,000	140,865	(10,865)
Capital Outlay:				
Capital Outlay	50,000	50,000	-	50,000
Total Expenditures	100,000	180,000	140,865	39,135
Net Change in Fund Balance	(20,000)	(20,000)	(64,791)	(44,791)
Fund Balance--Beginning	290,160	290,160	290,160	-
Fund Balance--Ending	\$ 270,160	\$ 270,160	\$ 225,369	\$ (44,791)

See accompanying independent auditors' report.

City of Loveland, Colorado
Fiber Network
Budgetary Comparison Schedule
For the Year Ended December 31, 2023

	Budgeted Amounts (unaudited)		Actual	Difference with Final Budget
	Original	Final		
Revenues:				
Investment Earnings (Loss)	\$ -	\$ -	\$ 16,215	\$ 16,215
Total Revenues	-	-	16,215	16,215
Expenditures:				
Information Technology	25,000	25,000	-	25,000
Capital Outlay	125,000	125,000	41,527	83,473
Total Expenditures	150,000	150,000	41,527	108,473
Net Change in Fund Balance	(150,000)	(150,000)	(25,312)	124,688
Fund Balance--Beginning	317,723	317,723	317,723	-
Fund Balance--Ending	\$ 167,723	\$ 167,723	\$ 292,411	\$ 124,688

See accompanying independent auditors' report.

City of Loveland, Colorado
Police Training Campus
Budgetary Comparison Schedule
For the Year Ended December 31, 2023

	Budgeted Amounts (unaudited)		Actual	Difference with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 325,286	\$ 325,286	\$ 283,603	\$ (41,683)
Charges for Services	80,000	80,000	110,540	30,540
Investment Earnings (Loss)	-	-	5,846	5,846
Miscellaneous	325,286	325,286	283,602	(41,684)
Total Revenues	730,572	730,572	683,591	(46,981)
Expenditures:				
Police	647,205	761,205	567,372	193,833
Capital Outlay	-	23,000	-	23,000
Total Expenditures	647,205	784,205	567,372	216,833
Net Change in Fund Balance	83,367	(53,633)	116,219	169,852
Fund Balance--Beginning	444,011	444,011	444,011	-
Fund Balance--Ending	\$ 527,378	\$ 390,378	\$ 560,230	\$ 169,852

See accompanying independent auditors' report.

City of Loveland, Colorado
Parks & Recreation Improvement
Budgetary Comparison Schedule
For the Year Ended December 31, 2023

	Budgeted Amounts (unaudited)		Actual	Difference with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,700	\$ 1,700	\$ -	\$ (1,700)
Charges for Services	56,652	56,652	115,466	58,814
Investment Earnings (Loss)	6,260	6,260	28,880	22,620
Miscellaneous	-	-	14,407	14,407
Total Revenues	64,612	64,612	158,753	94,141
Expenditures:				
Parks & Recreation	-	-	12,911	(12,911)
Capital Outlay	101,000	676,654	66,334	610,320
Total Expenditures	101,000	676,654	79,245	597,409
Excess (Deficiency) of Revenues Over (Under) Expenditures	(36,388)	(612,042)	79,508	691,550
Other Financing Sources (Uses):				
Transfers (Out)	-	(4,331)	(369)	3,962
Total Other Financing Sources (Uses)	-	(4,331)	(369)	3,962
Net Change in Fund Balance	(36,388)	(616,373)	79,139	695,512
Fund Balance--Beginning	824,929	824,929	824,929	-
Fund Balance--Ending	\$ 788,541	\$ 208,556	\$ 904,068	\$ 695,512

See accompanying independent auditors' report.

City of Loveland, Colorado
Perpetual Care
Budgetary Comparison Schedule
For the Year Ended December 31, 2023

	Budgeted Amounts (unaudited)		Actual	Difference with Final Budget
	Original	Final		
Revenues:				
Charges for Services	\$ 59,666	\$ 59,666	\$ 118,900	\$ 59,234
Investment Earnings (Loss)	55,006	55,006	149,319	94,313
Total Revenues	114,672	114,672	268,219	153,547
Expenditures:				
Capital Outlay	80,000	100,000	22,550	77,450
Total Expenditures	80,000	100,000	22,550	77,450
Net Change in Fund Balance	34,672	14,672	245,669	230,997
Fund Balance--Beginning	3,478,213	3,478,213	3,478,213	-
Fund Balance--Ending	\$ 3,512,885	\$ 3,492,885	\$ 3,723,882	\$ 230,997

See accompanying independent auditors' report.

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, 2023

	Budgeted Amounts (unaudited)		Actual	Difference with Final Budget
	Original	Final		
Revenues:				
Charges for Services	\$ 23,201,168	\$ 23,201,168	\$ 20,696,922	\$ (2,504,246)
Cash in Lieu of Water Rights	731,408	731,408	2,212,360	1,480,952
Miscellaneous	1,989,021	2,072,104	1,749,298	(322,806)
Investment Earnings (Loss)	125,286	125,286	1,782,251	1,656,965
System Impact/Development Fees	4,592,353	4,592,353	3,319,826	(1,272,527)
Raw Water Development Fees	524,394	524,394	1,241,139	716,745
Aid to Construction	1,537,389	1,537,389	-	(1,537,389)
Capital Grant Contributions	-	3,633,965	1,171,644	(2,462,321)
Total Revenues	32,701,019	36,418,067	32,173,440	(4,244,627)
Expenditures:				
Personal Services	7,042,713	7,042,713	6,705,737	336,976
Supplies	1,875,940	2,977,140	1,639,405	1,337,735
Purchased Services	6,495,474	8,327,742	5,629,324	2,698,418
Payment for Services	1,624,080	1,624,080	1,350,738	273,342
Transfers (Out)	139,410	287,879	146,806	141,073
Capital Acquisitions	13,907,600	32,392,722	-	32,392,722
Bond Expenses	5,752,937	5,752,937	1,439,042	4,313,895
Total Expenditures	36,838,154	58,405,213	16,911,052	41,494,161
Net Change in Fund Balance	(4,137,135)	(21,987,146)	15,262,388	37,249,534

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

Gain on Sale of Capital Asset	8,650
Contributed Assets	2,174,341
Depreciation	(4,469,902)
Loss on Sale of Capital Asset	(4,772)
Statement Total	\$ 12,970,705

See accompanying independent auditors' report.

City of Loveland, Colorado
Waste Water
Budgetary Comparison Schedule
For the Year Ended December 31, 2023

	Budgeted Amounts (unaudited)		Actual	Difference with Final Budget
	Original	Final		
Revenues:				
Charges for Services	\$ 18,070,315	\$ 18,070,315	\$ 17,656,786	\$ (413,529)
Miscellaneous	95,729	1,459,509	44,604	(1,414,905)
Investment Earnings (Loss)	80,826	80,826	481,704	400,878
System Impact/Development Fees	2,531,613	2,531,613	2,062,094	(469,519)
Aid to Construction	-	2,800,000	162,000	(2,638,000)
Total Revenues	20,778,483	24,942,263	20,407,188	(4,535,075)
Expenditures:				
Personal Services	5,247,857	5,247,857	4,771,888	475,969
Supplies	1,045,220	1,146,262	754,551	391,711
Purchased Services	4,599,287	5,432,648	3,952,584	1,480,064
Payment for Services	1,264,330	1,264,330	1,147,586	116,744
Transfers (Out)	69,670	146,500	41,450	105,050
Capital Acquisitions	6,732,300	13,121,793	-	13,121,793
Bond Expenses	1,659,929	1,659,929	757,614	902,315
Total Expenditures	20,618,593	28,019,319	11,425,673	16,593,646
Net Change in Fund Balance	159,890	(3,077,056)	8,981,515	12,058,571

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

Contributed Assets	1,550,831
Depreciation	(3,995,283)
Statement Total	\$ 6,537,063

See accompanying independent auditors' report.

City of Loveland, Colorado
Stormwater
Budgetary Comparison Schedule
For the Year Ended December 31, 2023

	Budgeted Amounts (unaudited)		Actual	Difference with Final Budget
	Original	Final		
Revenues:				
Charges for Services	\$ 10,802,850	\$ 10,802,850	\$ 11,298,384	\$ 495,534
Miscellaneous	36,000	36,000	62,763	26,763
Investment Earnings (Loss)	94,460	94,460	432,563	338,103
System Impact/Development Fees	443,350	443,350	410,900	(32,450)
Transfers In	-	-	640	640
Capital Grant Contributions	-	2,619,012	371,915	(2,247,097)
Total Revenues	11,376,660	13,995,672	12,577,165	(1,418,507)
Expenditures:				
Personal Services	2,268,058	2,268,058	1,841,616	426,442
Supplies	104,775	104,775	64,446	40,329
Purchased Services	1,838,072	3,092,197	1,972,913	1,119,284
Payment for Services	577,360	577,360	578,942	(1,582)
Transfers (Out)	27,074	83,234	50,106	33,128
Capital Acquisitions	4,441,680	11,509,347	-	11,509,347
Total Expenditures	9,257,019	17,634,971	4,508,023	13,126,948
Net Change in Fund Balance	2,119,641	(3,639,299)	8,069,142	11,708,441

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

Contributed Assets	4,475,641
Depreciation	(1,367,938)
Statement Total	\$ 11,176,845

See accompanying independent auditors' report.

City of Loveland, Colorado
Electric & Communications
Budgetary Comparison Schedule
For the Year Ended December 31, 2023

	Budgeted Amounts (unaudited)		Actual	Difference with Final Budget
	Original	Final		
Revenues:				
Charges for Services	\$ 92,485,493	\$ 92,485,493	\$ 89,185,234	\$ (3,300,259)
Miscellaneous	1,460,750	1,460,750	698,682	(762,068)
Investment Earnings (Loss)	323,504	323,504	2,117,981	1,794,477
System Impact/Development Fees	2,972,110	2,972,110	3,587,624	615,514
Aid to Construction	3,630,000	9,930,000	8,222,755	(1,707,245)
Total Revenues	100,871,857	107,171,857	103,812,276	(3,359,581)
Expenditures:				
Personal Services	10,102,667	9,620,587	8,969,442	651,145
Supplies	842,258	1,037,344	836,650	200,694
Purchased Services	10,123,684	11,946,670	8,694,425	3,252,245
Purchased Power	52,032,757	52,032,757	50,842,084	1,190,673
Payment for Services	6,280,893	6,280,893	5,718,132	562,761
Transfers (Out)	111,086	148,656	169,045	(20,389)
Capital Acquisitions	21,580,126	50,740,452	-	50,740,452
Bond Expenses	216,688	34,987,688	3,534,370	31,453,318
Total Expenditures	101,290,159	166,795,047	78,764,148	88,030,899
Net Change in Fund Balance	(418,302)	(59,623,190)	25,048,128	84,671,318

Reconciliation to Statement of Revenues, Expenditures and

Changes in Fund Net Position:

Contributed Assets	2,541,069
Depreciation	(9,576,688)
Loss on Sale of Capital Asset	(29,400)
Statement Total	\$ 17,983,109

See accompanying independent auditors' report.

City of Loveland, Colorado
Solid Waste
Budgetary Comparison Schedule
For the Year Ended December 31, 2023

	Budgeted Amounts (unaudited)		Actual	Difference with Final Budget
	Original	Final		
Revenues:				
Charges for Services	\$ 10,312,202	\$ 10,312,202	\$ 10,946,752	\$ 634,550
Miscellaneous	(27,750)	(27,750)	(83,118)	(55,368)
Investment Earnings (Loss)	(71,230)	(71,230)	314,692	385,922
Total Revenues	10,213,222	10,213,222	11,178,326	965,104
Expenditures:				
Personal Services	3,556,819	3,556,819	3,577,580	(20,761)
Supplies	628,600	628,600	531,871	96,729
Purchased Services	5,143,439	5,811,317	4,951,207	860,110
Payment for Services	658,027	658,027	689,529	(31,502)
Transfers (Out)	-	48,604	19,344	29,260
Capital Acquisitions	2,146,861	8,493,352	-	8,493,352
Bond Expenses	14,574	14,574	18,218	(3,644)
Total Expenditures	12,148,320	19,211,293	9,787,749	9,423,544
Net Change in Fund Balance	(1,935,098)	(8,998,071)	1,390,577	10,388,648

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

Gain on Sale of Capital Asset	20,500
Depreciation	(867,837)
Statement Total	\$ 543,240

See accompanying independent auditors' report.

City of Loveland, Colorado
Golf
Budgetary Comparison Schedule
For the Year Ended December 31, 2023

	Budgeted Amounts (unaudited)		Actual	Difference with Final Budget
	Original	Final		
Revenues:				
Charges for Services	\$ 5,610,977	\$ 5,610,977	\$ 6,164,175	\$ 553,198
Miscellaneous	-	-	2,435	2,435
Investment Earnings (Loss)	70,876	70,876	282,881	212,005
Total Revenues	5,681,853	5,681,853	6,449,491	767,638
Expenditures:				
Personal Services	2,645,667	2,761,562	2,634,588	126,974
Supplies	556,241	700,786	616,772	84,014
Purchased Services	748,690	829,090	750,876	78,214
Transfers (Out)	-	-	6,467	(6,467)
Capital Acquisitions	555,317	2,877,636	-	2,877,636
Bond Expenses	-	-	7,520	(7,520)
Total Expenditures	4,505,915	7,169,074	4,016,223	3,152,851
Net Change in Fund Balance	1,175,938	(1,487,221)	2,433,268	3,920,489

Reconciliation to Statement of Revenues, Expenditures and

Changes in Fund Net Position:

Gain on Sale of Capital Asset	33,033
Depreciation	(385,561)
Statement Total	\$ 2,080,740

See accompanying independent auditors' report.

City of Loveland, Colorado
Combining Statement of Net Position
Internal Service
December 31, 2023

	Fleet Replacement	Fleet Management	Risk & Insurance	Employee Benefits	Totals
ASSETS					
Current Assets:					
Equity in Pooled Cash	\$ 1,992,936	\$ 578,946	\$ 1,091,225	\$ 4,456,153	\$ 8,119,260
Equity in Pooled Investments	5,830,260	1,752,886	4,402,620	12,937,628	24,923,394
Receivables, Net	-	31,942	-	-	31,942
Accrued Interest	22,063	6,760	15,757	49,790	94,370
Inventory, at Cost	-	739,245	-	-	739,245
Total Current Assets	7,845,259	3,109,779	5,509,602	17,443,571	33,908,211
Noncurrent Assets:					
Interfund Loan Receivable	118,195	-	-	-	118,195
Restricted Assets:					
Equity in Pooled Restricted Cash	-	-	-	466,982	466,982
Total Restricted Assets	-	-	-	466,982	466,982
Property, Plant & Equipment:					
Land	209,516	-	-	-	209,516
Buildings	1,976,509	-	-	-	1,976,509
Leased Buildings	-	-	-	148,662	148,662
Equipment	20,971,204	330,559	-	-	21,301,763
Leased Equipment	-	198,983	-	-	198,983
Construction in Progress	2,786,405	-	-	-	2,786,405
Total Property, Plant & Equipment	25,943,634	529,542	-	148,662	26,621,838
Accumulated Depreciation	(14,359,265)	(234,438)	-	(49,554)	(14,643,257)
Net Property, Plant & Equipment	11,584,369	295,104	-	99,108	11,978,581
Total Non-Current Assets	11,702,564	295,104	-	566,090	12,563,758
Total Assets	19,547,823	3,404,883	5,509,602	18,009,661	46,471,969
LIABILITIES					
Current Liabilities:					
Accounts Payable	414,853	171,352	1,920,595	789,134	3,295,934
Lease Payable	-	108,497	-	106,729	215,226
Accrued Liabilities	-	76,795	30,298	1,282,799	1,389,892
Compensated Absences	-	92,582	33,905	-	126,487
Total Current Liabilities	414,853	449,226	1,984,798	2,178,662	5,027,539
Compensated Absences	-	75,748	27,741	-	103,489
Total Liabilities	414,853	524,974	2,012,539	2,178,662	5,131,028
NET POSITION					
Net Investment in Capital Assets	11,584,369	186,607	-	99,108	11,870,084
Restricted - Health Claims & Admin	-	-	-	466,982	466,982
Unrestricted	7,548,601	2,693,302	3,497,063	15,264,909	29,003,875
Total Net Position	\$ 19,132,970	\$ 2,879,909	\$ 3,497,063	\$ 15,830,999	\$ 41,340,941

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, 2023

	Fleet Replacement	Fleet Management	Risk & Insurance	Employee Benefits	Totals
Operating Revenues:					
Charges for Services	\$ 3,233,761	\$ 6,474,713	\$ 3,981,396	\$ 15,525,340	\$ 29,215,210
Miscellaneous	5,131	24,606	167,246	35,337	232,320
Total Operating Revenues	3,238,892	6,499,319	4,148,642	15,560,677	29,447,530
Operating Expenses:					
Personal Services	-	1,969,582	686,415	291,738	2,947,735
Supplies	-	3,610,305	12,072	66,953	3,689,330
Purchased Services	-	401,192	3,617,062	14,748,364	18,766,618
Depreciation	1,889,626	63,249	-	24,777	1,977,652
Total Operating Expenses	1,889,626	6,044,328	4,315,549	15,131,832	27,381,335
Net Operating Income (loss)	1,349,266	454,991	(166,907)	428,845	2,066,195
Nonoperating Revenues (Expenses):					
Investment Gain (Loss)	287,827	85,317	231,202	590,235	1,194,581
Interest and debt service costs	-	(4,005)	-	(3,574)	(7,579)
Gain (Loss) on Sale of Capital Assets	360,466	-	-	-	360,466
Total Nonoperating Revenues (Expenses)	648,293	81,312	231,202	586,661	1,547,468
Net Income (Loss) Before Transfers	1,997,559	536,303	64,295	1,015,506	3,613,663
Transfers (Out)	(1,486)	(33,074)	-	-	(34,560)
Change in Net Position	1,996,073	503,229	64,295	1,015,506	3,579,103
Total Net Position - Beginning	17,136,897	2,376,680	3,432,768	14,815,493	37,761,838
Total Net Position - Ending	\$ 19,132,970	\$ 2,879,909	\$ 3,497,063	\$ 15,830,999	\$ 41,340,941

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, 2023

	Fleet Replacement	Fleet Management	Risk & Insurance	Employee Benefits	Totals
Cash Flows from Operating Activities:					
Cash Received from Interfund Services	\$ 3,233,761	\$ 6,446,805	\$ 3,981,396	\$ 16,172,271	\$ 29,834,233
Cash Payments for Goods and Services	-	(4,098,032)	(3,755,055)	(14,281,722)	(22,134,809)
Cash Payments to Employees	-	(1,943,574)	(670,858)	(287,684)	(2,902,116)
Miscellaneous	15,160	24,606	167,245	35,333	242,344
Net Cash Provided (Used) by Operating Activities	3,248,921	429,805	(277,272)	1,638,198	5,039,652
Cash Flows from Non-Capital Financing Activities:					
Repayments received on Interfund Loan receivables	52,806	-	-	-	52,806
Transfers Out	(1,486)	(33,074)	-	-	(34,560)
Net Cash Provided (Used) by Non-capital Financing Activities	51,320	(33,074)	-	-	18,246
Cash Flows from Capital and Related Financing Activities:					
Proceeds on Sale of Capital Assets	360,466	-	-	-	360,466
Payments for Capital Acquisition	(2,757,634)	(66,187)	-	-	(2,823,821)
Payments for Finance Leases	-	(49,926)	-	(22,778)	(72,704)
Interest Paid	-	-	-	(3,574)	(3,574)
Net Cash Provided (Used) by Capital and Related Financing Activities	(2,397,168)	(116,113)	-	(26,352)	(2,539,633)
Cash Flows from Investing Activities:					
Purchase of Investments	(1,094,393)	(346,040)	(605,590)	(3,141,265)	(5,187,288)
Proceeds from Sale of Investments	1,418,045	420,811	1,102,213	3,049,138	5,990,207
Investment Earnings	82,589	24,842	61,805	184,619	353,855
Net Cash Flows Provided (Used) by Investing Activities	406,241	99,613	558,428	92,492	1,156,774
Net Increase (Decrease) in Cash and Cash Equivalents	1,309,314	380,231	281,156	1,704,338	3,675,039
Cash and Cash Equivalents - Jan. 1	683,622	198,715	810,069	3,218,797	4,911,203
Cash and Cash Equivalents--Dec. 31	\$ 1,992,936	\$ 578,946	\$ 1,091,225	\$ 4,923,135	\$ 8,586,242
Reconciliation of Operating Income (Loss) to Net Operating Income (Loss)					
Operating Income (Loss)	\$ 1,349,265	\$ 454,989	\$ (166,904)	\$ 428,840	\$ 2,066,190
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation	1,889,626	63,249	-	24,777	1,977,652
(Increase) Decrease in Accounts Receivable	-	(27,887)	-	646,933	619,046
Increase in Inventory	-	(87,194)	-	-	(87,194)
Increase (Decrease) in Current Liabilities	10,030	26,648	(110,368)	537,648	463,958
Total Adjustments	1,899,656	(25,184)	(110,368)	1,209,358	2,973,462
Net Cash Provided (Used) by Operating Activities	\$ 3,248,921	\$ 429,805	\$ (277,272)	\$ 1,638,198	\$ 5,039,652
Noncash Investing, Capital and Financing Activities:					
Unrealized Loss on Investments	197,061	57,827	164,743	386,071	805,702
Reconciliation of cash and cash equivalents to statement of net position:					
Cash and cash equivalents	1,992,936	578,946	1,091,225	4,456,153	8,119,260
Restricted Assets - cash and cash equivalents	-	-	-	466,982	466,982
	\$ 1,992,936	\$ 578,946	\$ 1,091,225	\$ 4,923,135	\$ 8,586,242

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, 2023

	Budgeted Amounts (unaudited)		Actual	Difference with Final Budget
	Original	Final		
Revenues:				
Charges for Services	\$ 3,676,380	\$ 3,676,380	\$ 3,233,761	\$ (442,619)
Miscellaneous	-	-	5,131	5,131
Investment Earnings (Loss)	47,033	47,033	287,827	240,794
Capital Grant Contributions	-	815,551	-	(815,551)
Total Revenues	3,723,413	4,538,964	3,526,719	(1,012,245)
Expenditures:				
Transfers (Out)	-	108,664	1,486	107,178
Capital Acquisitions	2,129,238	5,921,563	-	5,921,563
Total Expenditures	2,129,238	6,030,227	1,486	6,028,741
Net Change in Fund Balance	1,594,175	(1,491,263)	3,525,233	5,016,496

Reconciliation to Statement of Revenues, Expenditures and

Changes in Fund Net Position:

Gain on Sale of Capital Asset

360,466

Depreciation

(1,889,626)

Statement Total

\$ 1,996,073

See accompanying independent auditors' report.

City of Loveland, Colorado
Fleet Management
Budgetary Comparison Schedule
For the Year Ended December 31, 2023

	Budgeted Amounts (unaudited)		Actual	Difference with Final Budget
	Original	Final		
Revenues:				
Charges for Services	\$ 6,231,189	\$ 7,041,189	\$ 6,474,713	\$ (566,476)
Miscellaneous	-	-	24,606	24,606
Investment Earnings (Loss)	-	-	85,317	85,317
Total Revenues	6,231,189	7,041,189	6,584,636	(456,553)
Expenditures:				
Personal Services	2,193,605	2,193,605	1,969,582	224,023
Supplies	2,994,312	3,935,368	3,610,305	325,063
Purchased Services	611,018	631,442	401,192	230,250
Transfers (Out)	-	453,577	33,074	420,503
Capital Acquisitions	50,000	166,187	-	166,187
Bond Expenses	-	-	4,005	(4,005)
Total Expenditures	5,848,935	7,380,179	6,018,158	1,362,021
Net Change in Fund Balance	382,254	(338,990)	566,478	905,468

Reconciliation to Statement of Revenues, Expenditures and

Changes in Fund Net Position:

Depreciation	(63,249)
Statement Total	<u>\$ 503,229</u>

See accompanying independent auditors' report.

City of Loveland, Colorado
Risk & Insurance
Budgetary Comparison Schedule
For the Year Ended December 31, 2023

	Budgeted Amounts (unaudited)		Actual	Difference with Final Budget
	Original	Final		
Revenues:				
Charges for Services	\$ 3,962,796	\$ 3,962,796	\$ 3,981,396	\$ 18,600
Miscellaneous	-	-	167,246	167,246
Investment Earnings (Loss)	37,298	37,298	231,202	193,904
Total Revenues	4,000,094	4,000,094	4,379,844	379,750
Expenditures:				
Personal Services	641,825	695,793	686,415	9,378
Supplies	23,696	22,083	12,072	10,011
Purchased Services	3,723,986	4,488,040	3,617,062	870,978
Total Expenditures	4,389,507	5,205,916	4,315,549	890,367
Net Change in Fund Balance	(389,413)	(1,205,822)	64,295	1,270,117

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

\$ 64,295

See accompanying independent auditors' report.

City of Loveland, Colorado
Employee Benefits
Budgetary Comparison Schedule
For the Year Ended December 31, 2023

	Budgeted Amounts (unaudited)		Actual	Difference with Final Budget
	Original	Final		
Revenues:				
Charges for Services	\$ 15,913,050	\$ 15,913,050	\$ 15,525,340	\$ (387,710)
Miscellaneous	118,000	118,000	35,337	(82,663)
Investment Earnings (Loss)	143,039	143,039	590,235	447,196
Total Revenues	16,174,089	16,174,089	16,150,912	(23,177)
Expenditures:				
Personal Services	210,877	210,877	291,738	(80,861)
Supplies	130,200	130,200	66,953	63,247
Purchased Services	16,742,600	16,797,600	14,748,364	2,049,236
Bond Expenses	-	-	3,574	(3,574)
Total Expenditures	17,083,677	17,138,677	15,110,629	2,028,048
Net Change in Fund Balance	(909,588)	(964,588)	1,040,283	2,004,871

Reconciliation to Statement of Revenues, Expenditures and

Changes in Fund Net Position:

Depreciation

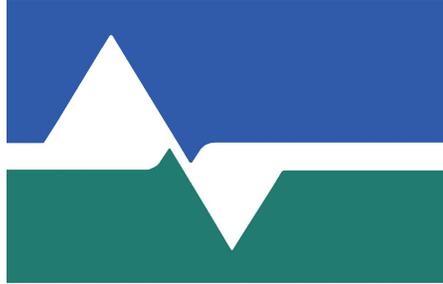
(24,777)

Statement Total

\$ 1,015,506

See accompanying independent auditors' report.

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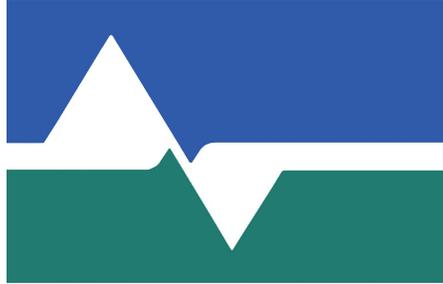
Fiduciary Fund

**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, 2023

	Budgeted Amounts (unaudited)		Actual	Difference with Final Budget
	Original	Final		
Revenues:				
Special Assessments	\$ 610,000	\$ 610,000	\$ 481,703	\$ (128,297)
Interest	5,000	5,000	8,026	3,026
Miscellaneous	-	-	1,700	1,700
Total Revenues	615,000	615,000	491,429	(123,571)
Expenditures:				
General Administration	10,075	10,075	3,515	6,560
Bond Principal	500,000	500,000	460,000	40,000
Bond Interest	80,000	80,000	76,440	3,560
Trustee Fees	3,000	3,000	300	2,700
Total Expenditures	593,075	593,075	540,255	52,820
Net Change in Fund Balance	21,925	21,925	(48,826)	(70,751)
Fund Balance--Beginning	373,634	373,634	373,634	-
Fund Balance--Ending	\$ 395,559	\$ 395,559	\$ 324,808	\$ (70,751)

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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	130
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	140
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	143
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	147
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	149
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)

	2014	2015	2016	2017	2018
Governmental Activities					
Net Investment in Capital Assets	\$ 327,486,198	\$ 334,471,486	\$ 349,269,785	\$ 370,968,085	\$ 375,178,255
Restricted	25,425,762	23,991,063	19,889,376	42,204,301	40,657,508
Unrestricted	88,271,751	89,140,975	109,138,773	85,659,674	92,826,599
Total Governmental Activities Net Position	441,183,711	447,603,524	478,297,934	498,832,060	508,662,362
Business-Type Activities					
Net Investment in Capital Assets	398,830,123	412,250,813	439,794,339	463,351,560	487,093,974
Future Capital Improvements	43,987,341	38,346,067	38,620,559	44,650,171	53,143,019
Unrestricted	39,181,529	50,999,539	50,990,044	48,112,329	44,467,491
Total Business-Type Activities Net Position	481,998,993	501,596,419	529,404,942	556,114,060	584,704,484
Primary government					
Net Investment In Capital Assets	726,316,321	746,722,299	789,064,124	834,319,645	862,272,229
Restricted	69,413,103	62,337,130	58,509,935	86,854,472	93,800,527
Unrestricted	127,453,280	140,140,514	160,128,817	133,772,003	137,294,090
Total Primary Government Net Position	\$ 923,182,704	\$ 949,199,943	\$ 1,007,702,876	\$ 1,054,946,120	\$ 1,093,366,846

	2019	2020	2021	2022	2023
\$	407,352,447	\$ 442,641,192	\$ 461,306,590	\$ 477,176,229	\$ 498,833,003
	35,401,193	37,872,003	47,053,799	54,285,713	51,904,498
	93,934,510	93,096,876	117,255,519	129,992,428	148,457,652
	536,688,150	573,610,071	625,615,908	661,454,370	699,195,153
	512,801,745	540,618,535	568,110,085	592,286,050	641,781,131
	49,882,904	55,601,577	49,936,494	60,577,669	67,636,791
	53,747,205	55,842,929	61,992,221	67,328,788	62,066,287
	616,431,854	652,063,041	680,038,800	720,192,507	771,484,209
	920,154,192	983,259,727	1,029,416,675	1,069,462,279	1,140,614,134
	85,284,097	93,473,580	96,990,293	114,863,382	119,541,289
	147,681,715	148,939,805	179,247,740	197,321,216	210,523,939
\$	1,153,120,004	\$ 1,225,673,112	\$ 1,305,654,708	\$ 1,381,646,877	\$ 1,470,679,362

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

	2014	2015	2016	2017
Expenses				
Governmental Activities:				
Legislative	\$ 162,625	\$ 157,812	\$ 151,146	\$ 159,913
Executive	1,944,875	2,134,424	2,199,258	4,216,699
City Manager	-	-	-	-
City Attorney	-	-	-	-
City Clerk	-	-	-	-
Municipal Court	-	-	-	-
Finance	1,736,626	1,731,226	1,846,402	1,295,259
Human Resources	156,840	249,177	358,285	420,729
Information Technology	656,388	925,018	983,766	556,131
Economic Development	3,922,742	5,416,693	4,046,522	3,090,713
Development Services	7,085,388	7,303,464	7,391,751	6,509,167
Public Works	29,259,394	19,659,340	22,454,121	23,931,894
Police	19,092,543	20,122,411	21,508,676	24,783,280
Fire and Rescue	11,267,310	13,127,952	13,968,518	16,365,941
Parks & Recreation	13,139,972	13,433,473	14,149,386	14,103,788
Library	3,465,978	3,513,276	3,598,465	4,123,625
Cultural Services	2,269,629	2,375,343	2,522,341	2,600,450
General Government	21,610,982	24,936,240	24,003,139	24,815,615
Interest on Long-Term Debt	-	-	-	-
Total Governmental Activities Expense	115,771,292	115,085,849	119,181,776	126,973,204
Business-Type Activities:				
Water	14,421,083	14,993,052	15,666,363	16,075,296
Wastewater	8,152,372	9,004,724	9,078,498	9,679,668
Stormwater	4,142,323	4,218,805	4,342,427	5,850,696
Electric & Communications	56,745,572	56,935,935	58,211,434	64,494,714
Solid Waste	5,772,448	5,956,930	6,453,721	6,714,450
Golf	3,649,645	3,757,673	4,558,219	3,872,895
Total Business-Type Activities Expenses	92,883,443	94,867,119	98,310,662	106,687,719
Total Primary Government Expenses	208,654,735	209,952,968	217,492,438	233,660,923
Program Revenues				
Governmental Activities:				
Charges for services:				
Executive	960,705	1,093,954	944,041	1,041,189
City Manager	-	-	-	-
City Attorney	-	-	-	-
City Clerk	-	-	-	-
Municipal Court	-	-	-	-
Finance	220,807	213,550	206,081	264,016
Human Resources	26	-	-	-
Information Technology	-	-	-	-
Economic Development	75,718	80,205	94,072	611,278
Development Services	2,405,098	2,742,511	3,058,494	2,567,529
Public Works	3,317,741	5,272,211	5,803,971	6,506,628
Police	1,249,248	1,124,858	1,263,912	1,444,770
Fire and Rescue	416,909	365,378	582,014	4,839,718
Parks & Recreation	5,273,998	4,326,854	5,131,937	4,757,024
Library	90,717	93,226	92,278	72,431
Cultural Services	366,835	366,894	418,057	431,274
General Government	5,938,830	6,430,198	7,054,713	7,934,902
Operating grants and contributions	15,144,081	18,170,851	18,282,481	22,130,784
Capital grants and contributions	24,080,916	12,390,432	21,755,995	13,680,064
Total Governmental Activities Revenues	\$ 59,541,629	\$ 52,671,122	\$ 64,688,046	\$ 66,281,607

Source: City of Loveland Financial Statements

	2018	2019	2020	2021	2022	2023
\$	187,723	\$ 144,975	\$ 142,847	\$ 150,963	\$ 204,159	\$ 187,949
	3,376,411	5,380,650	-	-	-	-
	-	-	5,027,941	3,121,875	4,647,058	5,597,646
	-	-	1,282,582	1,283,365	1,576,442	1,864,301
	-	-	737,749	592,360	722,062	896,384
	-	-	680,160	700,112	770,627	802,183
	1,256,557	5,388,175	5,822,026	6,075,509	6,836,546	7,481,127
	424,206	1,638,690	1,432,526	1,462,259	1,842,468	1,833,275
	1,831,164	6,401,536	6,892,385	5,953,913	7,478,684	6,029,139
	2,551,997	2,597,640	2,914,656	2,065,899	2,809,222	3,195,919
	6,737,725	3,981,403	5,701,230	5,590,896	5,886,993	6,232,895
	31,567,513	27,180,708	30,043,177	31,960,206	34,186,621	35,287,336
	27,082,050	25,312,191	25,999,756	34,907,689	28,705,018	36,815,324
	22,272,980	18,193,823	19,287,233	33,800,088	25,025,382	28,489,609
	16,364,686	12,040,970	13,456,687	12,691,587	16,953,694	17,600,926
	4,272,659	3,385,385	2,920,546	3,504,378	3,767,653	4,089,707
	2,942,481	2,089,675	3,731,823	2,363,832	2,969,843	2,791,485
	23,571,072	16,784,988	19,008,838	30,301,034	27,756,133	28,578,929
	-	-	781,283	971,660	943,227	1,108,672
	144,439,224	130,520,809	145,863,445	177,497,625	173,081,832	188,882,806
	16,308,692	15,666,095	17,668,199	18,914,717	22,850,592	21,234,148
	11,304,051	13,085,842	13,747,570	14,014,978	14,949,490	15,379,506
	4,927,823	5,055,877	5,689,635	6,530,754	5,219,200	5,825,855
	64,180,716	68,751,131	71,180,474	76,955,901	83,313,318	88,171,791
	7,243,803	7,743,425	7,774,032	8,490,265	9,289,271	10,636,242
	3,669,380	3,557,875	3,526,340	3,921,240	4,194,191	4,395,317
	107,634,465	113,860,245	119,586,250	128,827,855	139,816,062	145,642,859
	252,073,689	244,381,054	265,449,695	306,325,480	312,897,894	334,525,665
	1,665,482	1,816,728	-	-	-	-
	-	-	90,971	213,974	655,385	153,014
	-	-	54,551	26,982	28,038	11,560
	-	-	65,840	87,566	88,426	81,994
	-	-	1,054,434	831,211	539,417	574,490
	243,877	226,958	208,229	251,738	281,394	212,759
	-	-	1,465	695	-	-
	-	-	258,325	179,946	238,850	-
	156,092	233,795	1,343,115	-	333,019	278,920
	2,768,763	2,141,143	3,273,085	4,882,160	7,719,754	4,458,195
	19,218,892	18,093,078	22,514,463	19,368,504	21,543,621	23,459,649
	696,939	2,967,706	6,538,486	1,898,764	1,717,568	1,992,405
	7,418,801	3,769,092	2,896,385	15,628,034	3,483,085	4,841,333
	4,834,484	5,504,094	3,294,031	4,367,279	6,025,762	10,596,562
	95,501	50,342	139,437	90,818	139,074	561,866
	470,431	616,260	230,858	362,960	934,660	1,129,935
	77,655	49,046	3,843,246	4,731,782	1,424,219	1,028,788
	21,457,236	23,138,462	23,365,634	23,816,808	25,771,719	36,987,125
	7,045,733	4,214,800	17,076,354	46,194,664	24,216,319	19,511,232
\$	66,149,886	62,821,504	86,248,909	122,933,885	95,140,310	105,879,827

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

	2014	2015	2016	2017
Business-type Activities				
Charges for services				
Water	\$ 11,637,020	\$ 13,252,667	\$ 15,298,606	\$ 16,756,753
Wastewater	8,658,044	9,523,580	10,812,210	11,937,729
Stormwater	4,539,285	5,113,905	5,785,926	6,483,986
Electric & Communications	56,131,726	57,513,426	60,070,432	63,851,915
Solid Waste	6,242,999	6,506,747	6,823,296	7,053,445
Golf	3,497,796	3,734,006	3,796,133	3,825,009
Capital grants and contributions	17,332,613	16,712,187	22,466,304	17,720,613
Operating grants and contributions	89,863	288,683	211,522	275,738
Total Business-Type Activities Revenues	108,129,346	112,645,201	125,264,429	127,905,188
Total Primary-Government Revenues	167,670,975	165,316,323	189,952,475	194,186,795
Net (Expense) Revenue				
Governmental Activities	(56,229,663)	(62,414,727)	(54,493,730)	(60,691,596)
Business-Type Activities	15,245,903	17,778,082	26,953,767	21,217,468
Total Primary Government Net (Expense)/Revenues	(40,983,760)	(44,636,645)	(27,539,963)	(39,474,128)
General Revenues & Other Changes in Net Position				
Governmental Activities				
Taxes				
Property Taxes	18,706,275	18,546,909	20,904,830	21,680,942
Sales and Use Taxes	46,954,355	48,751,148	50,527,501	54,481,516
Franchise Taxes	1,886,816	1,864,925	1,800,051	2,018,640
Other Taxes	1,390,290	1,415,285	1,210,092	2,198,110
Investment Earnings	1,917,038	1,265,529	589,669	1,373,292
Gain on Sale of Assets	298,520	569,139	170,947	31,522
Transfers	1,297,774	(824,365)	(308,505)	(558,300)
Total Governmental Activities	72,451,068	71,588,570	74,894,585	81,225,722
Business-Type Activities				
Investment Earnings	1,500,081	994,979	546,251	1,005,237
Gain on Sale of Assets	(1,006,167)	-	-	-
Transfers	(1,297,774)	824,365	308,505	558,300
Total Business-Type Activities	(803,860)	1,819,344	854,756	1,563,537
Total Primary Government	71,647,208	73,407,914	75,749,341	82,789,259
Change in Net Position				
Governmental Activities	16,221,405	9,173,843	20,400,855	20,534,126
Business-Type Activities	14,442,043	19,597,426	27,808,523	22,781,005
Total Primary Government	\$ 30,663,448	\$ 28,771,269	\$ 48,209,378	\$ 43,315,131

Source: City of Loveland Financial Statements

	2018	2019	2020	2021	2022	2023
\$	18,689,859	\$ 18,643,554	\$ 22,127,504	\$ 23,539,395	\$ 25,979,178	\$ 23,550,016
	13,053,629	13,699,495	14,929,933	16,221,277	17,280,370	17,664,035
	7,000,161	7,625,978	8,099,802	8,326,803	9,367,948	11,361,147
	66,770,400	68,929,460	70,863,380	77,780,985	84,254,109	89,740,678
	8,074,467	8,620,149	8,783,551	9,626,951	10,216,241	10,863,634
	3,821,241	3,860,142	4,387,012	5,297,111	5,251,634	6,165,144
	18,763,653	25,349,844	24,821,451	19,014,070	33,106,233	31,050,807
	333,552	352,474	319,345	273,259	222,226	1,531,595
	136,506,962	147,081,096	154,331,978	160,079,851	185,677,939	191,927,056
	202,656,848	209,902,600	240,580,887	283,013,736	280,503,568	286,752,685
	(78,289,338)	(67,699,305)	(59,614,536)	(54,563,740)	(77,941,522)	(83,002,979)
	28,872,497	33,220,851	34,745,728	31,251,996	45,861,877	46,284,197
	(49,416,841)	(34,478,454)	(24,868,808)	(23,311,744)	(32,079,645)	(36,718,782)
	23,899,977	26,678,420	29,121,824	30,849,766	32,611,983	33,721,985
	57,372,198	59,077,014	59,647,002	68,632,108	84,226,885	74,862,546
	1,860,176	1,837,808	1,669,956	1,720,272	2,180,021	2,067,610
	1,940,748	2,170,466	1,746,201	1,824,083	2,183,109	1,317,532
	1,599,707	3,193,518	1,343,775	226,628	(5,710,647)	7,719,307
	102,157	153,803	221,161	1,115,795	102,157	622,204
	1,344,677	2,614,064	2,786,538	2,200,925	452,734	432,578
	88,119,640	95,725,093	96,536,457	106,569,577	116,046,242	120,743,762
	1,359,120	5,273,004	3,431,421	(1,310,212)	(5,465,459)	5,412,072
	(296,516)	(1,652,421)	240,576	234,900	210,023	28,011
	(1,344,677)	(2,614,064)	(2,786,538)	(2,200,925)	(452,734)	(432,578)
	(282,073)	1,006,519	885,459	(3,276,237)	(5,708,170)	5,007,505
	87,837,567	96,731,612	97,421,916	103,293,340	110,338,072	125,751,267
	9,830,302	28,025,788	36,921,921	52,005,837	38,104,720	37,740,783
	28,590,424	34,227,370	35,631,187	27,975,759	40,153,707	51,291,702
\$	38,420,726	62,253,158	72,553,108	79,981,596	78,258,427	89,032,485

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

	2014	2015	2016	2017
General Fund				
Nonspendable	\$ 199,045	\$ 55,603	\$ 51,685	\$ 47,650
Restricted	2,439,462	2,317,041	2,906,882	25,715,544
Committed	18,219,015	24,784,252	19,097,578	2,494,422
Assigned	1,344,179	1,385,845	1,155,031	-
Unassigned	22,996,438	17,902,106	21,741,419	10,591,362
Total General Fund	\$ 45,198,139	\$ 46,444,847	\$ 44,952,595	\$ 38,848,978
All Other Governmental Funds				
Nonspendable				
Capital Expansion Fees	2,130,012	-	-	-
Transportation	-	-	-	-
Other Governmental Funds	957,172	997,132	1,033,093	1,114,935
Restricted				
Loveland Urban Renewal Authority	516,443	735,192	972,722	1,018,896
Loveland Fire Rescue Authority	17,397	17,397	101,176	2,090,853
Capital Projects	-	-	-	-
Other Governmental Funds	19,166,231	17,545,105	14,823,817	12,216,423
Committed				
Capital Expansion Fees	25,948,944	33,331,085	37,127,980	41,159,739
Other Governmental Funds	389,879	485,775	515,297	717,238
Assigned				
Capital Projects	872,472	1,058,324	2,331,869	9,801,816
Other Governmental Funds	4,155,436	3,934,819	3,796,447	3,981,477
Unassigned				
Transportation	-	-	-	-
Capital Project Fund	-	-	-	-
Total All Other Governmental Funds	54,153,986	58,104,829	60,702,401	72,101,377
Total Governmental Funds	\$ 99,352,125	\$ 104,549,676	\$ 105,654,996	\$ 110,950,355

Source: City of Loveland Financial Statements

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

	2018	2019	2020	2021	2022	2023
\$	43,493	\$ 39,212	\$ 34,802	\$ 30,261	\$ 80,740	\$ 20,922
	11,988,505	8,185,477	4,883,384	6,395,429	11,894,582	5,583,159
	5,597,274	566,558	812,088	825,050	1,151,752	1,222,069
	-	-	-	-	-	-
	14,720,142	19,268,245	27,284,135	38,355,080	50,036,129	55,616,388
\$	32,349,414	\$ 28,059,492	\$ 33,014,409	\$ 45,605,820	\$ 63,163,203	\$ 62,442,538
	-	-	-	-	-	-
	512,180	350,670	532,779	442,351	322,397	290,740
	1,157,959	3,306,565	3,503,234	3,579,557	3,506,846	3,761,947
	296,164	647,652	1,454,625	3,489,306	3,936,340	4,773,686
	8,457,297	6,825,362	7,406,621	14,780,713	11,192,761	12,251,009
	993,921	-	-	-	-	-
	14,561,785	15,822,662	18,061,112	18,376,703	19,291,876	21,433,994
	36,822,062	33,033,106	32,110,116	42,163,277	47,970,182	54,913,745
	1,369,078	1,535,910	1,157,210	1,686,667	1,587,306	1,767,331
	1,250,612	1,514,211	-	-	-	-
	4,110,607	1,983,210	1,456,914	1,320,861	1,142,652	1,196,479
	(512,180)	(350,670)	(532,779)	(442,351)	(322,397)	(678,414)
	-	-	(1,439,858)	(1,150,884)	(1,274,153)	(771,218)
	69,019,485	64,668,678	63,709,974	84,246,200	87,353,810	98,939,299
\$	101,368,899	\$ 92,728,170	\$ 96,724,383	\$ 129,852,020	\$ 150,517,013	\$ 161,381,837

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

	2014	2015	2016	2017
Revenues				
Taxes	\$ 68,523,097	\$ 70,117,336	\$ 74,220,077	\$ 80,233,216
Licenses and Permits	3,073,136	3,076,189	3,310,912	3,126,114
Fines and Penalties	966,619	1,123,670	929,370	972,875
Intergovernmental	21,238,565	22,760,809	24,233,341	25,242,347
Charges for Services	12,175,143	15,535,481	16,607,925	15,222,967
Investment Earnings	1,917,038	1,265,530	589,670	1,373,293
Payment in Lieu of Taxes	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	7,635,519	8,219,150	9,494,166	12,057,015
Total Revenues	115,529,117	122,098,165	129,385,461	138,227,827
Expenditures				
Current				
Legislative	162,625	157,812	151,146	159,913
Executive	1,962,771	2,122,554	2,211,243	4,036,220
City Manager	-	-	-	-
City Attorney	-	-	-	-
City Clerk	-	-	-	-
Municipal Court	-	-	-	-
Finance	1,717,652	1,683,036	1,819,888	1,282,258
Human Resources	277,384	240,311	355,772	445,725
Information Technology	433,181	639,513	689,898	316,523
Economic Development	3,910,697	5,413,443	3,387,769	3,017,793
Development Services	4,197,908	4,516,499	4,412,253	3,623,654
Public Works	13,604,425	13,202,521	15,141,677	17,706,618
Police	18,409,049	19,602,485	20,860,058	24,258,829
Fire and Rescue	10,736,189	11,929,102	13,150,622	15,320,180
Parks & Recreation	11,388,857	11,181,335	11,121,873	11,563,778
Library	3,045,902	3,165,964	3,271,662	3,762,506
Cultural Services	2,012,556	2,086,915	2,230,327	2,540,385
General Government	19,635,681	21,035,844	22,972,699	26,689,263
Capital Outlay	32,589,133	18,489,108	21,079,771	33,036,629
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	468,894
Total Expenditures	124,084,010	115,466,442	122,856,658	148,229,168
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,554,893)	6,631,723	6,528,803	(10,001,341)
Other Financing Sources (Uses)				
Transfers In	24,435,810	14,559,142	15,877,819	36,008,348
Transfers (Out)	(23,124,647)	(15,993,509)	(21,301,301)	(36,611,649)
Debt Issued	-	-	-	15,900,000
Insurance Recoveries	999,933	195	-	-
Total Other Financing Sources (Uses)	2,311,096	(1,434,172)	(5,423,482)	15,296,699
Net Change in Fund Balance	\$ (6,243,797)	\$ 5,197,551	\$ 1,105,321	\$ 5,295,358
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.04%

Source: City of Loveland Financial Statements

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

	2018	2019	2020	2021	2022	2023
\$	83,406,784	\$ 88,501,636	\$ 91,338,747	\$ 102,493,932	\$ 119,252,026	\$ 111,969,673
	3,341,235	2,567,487	3,902,767	6,846,962	8,298,760	5,000,369
	1,263,732	1,203,527	1,003,433	837,820	538,242	578,234
	27,533,890	28,535,074	32,886,093	36,801,684	34,391,374	41,310,971
	16,914,492	15,759,460	18,360,470	21,488,758	26,311,400	23,257,426
	1,599,707	3,193,518	1,343,775	226,628	(5,710,647)	7,719,307
	-	-	8,132,827	8,790,101	9,160,116	9,484,927
	-	-	5,865,552	23,748	618,698	(32,934)
	12,193,909	15,005,029	5,750,216	4,114,034	4,346,703	5,701,551
	146,253,749	154,765,731	168,583,880	181,623,667	197,206,672	204,989,524

	187,723	144,975	142,847	150,963	204,159	187,949
	3,322,807	5,456,462	-	-	-	-
	-	-	4,990,757	3,101,095	4,652,876	5,490,997
	-	-	1,243,257	1,295,583	1,557,165	1,846,549
	-	-	740,762	584,936	715,187	891,116
	-	-	676,200	700,449	766,259	797,575
	1,221,190	5,470,110	5,704,161	6,128,394	6,796,023	7,451,592
	385,130	1,701,545	1,430,180	1,458,268	1,839,490	1,837,989
	1,536,654	6,288,049	6,554,490	5,643,385	6,751,684	5,127,968
	2,500,959	2,573,507	2,900,642	1,998,527	2,802,163	3,187,237
	3,811,987	2,886,029	2,802,537	2,771,733	3,035,377	3,411,951
	24,291,235	26,385,684	21,196,097	22,309,515	23,842,215	25,421,413
	26,252,517	25,391,129	25,170,853	24,398,939	27,694,607	35,631,710
	16,656,580	17,919,633	18,427,368	21,302,646	23,742,541	26,734,848
	13,223,723	11,183,651	10,303,173	10,658,793	12,341,203	13,842,447
	3,918,838	3,252,119	2,855,153	2,947,392	3,184,078	3,472,520
	2,727,844	2,160,288	1,848,099	2,173,981	2,638,208	2,476,281
	28,239,484	23,454,914	25,399,372	30,133,182	29,367,351	31,272,158
	31,906,516	33,060,864	39,644,903	21,927,005	24,761,678	27,858,843
	274,903	232,449	901,476	4,031,054	1,360,413	1,454,472
	823,992	805,920	784,283	971,210	974,351	1,108,672
	161,282,082	168,367,328	173,716,610	164,687,050	179,027,028	199,504,287

	(15,028,333)	(13,601,597)	(5,132,730)	16,936,617	18,179,644	5,485,237
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	28,794,567	31,368,083	35,839,740	19,160,932	15,279,541	20,186,930
	(27,756,890)	(26,407,215)	(26,710,797)	(16,514,849)	(14,479,824)	(19,719,792)
	4,409,200	-	-	13,544,937	1,685,632	4,912,449
	-	-	-	-	-	-
	5,446,877	4,960,868	9,128,943	16,191,020	2,485,349	5,379,587

\$	(9,581,456)	(8,640,729)	3,996,213	33,127,637	20,664,993	10,864,824
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	0.85%	0.77%	1.26%	3.51%	1.51%	1.49%
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Schedule 5
City of Loveland, Colorado
Taxable Sales by Category
Last Ten Fiscal Years

	2014	2015	2016	2017
Department Stores & General Merchandise	\$ 276,744,986	\$ 270,693,274	\$ 264,384,639	\$ 265,609,205
Restaurants & Bars	190,187,912	206,674,358	211,408,110	220,605,183
Grocery Stores & Specialty Foods	129,506,120	142,555,626	155,842,903	167,949,122
Motor Vehicle Dealers, Auto Parts & Leasing	109,598,817	116,334,884	123,159,183	135,160,541
Building Materials, Lawn & Garden Supplies	99,082,447	110,932,445	120,164,180	126,548,513
Electronic Shopping & Mail-Order Houses	22,418,225	19,914,730	21,210,574	40,735,145
Clothing & Clothing Accessories Stores	134,717,972	136,790,016	128,678,615	123,988,123
Utilities	64,182,261	64,709,874	64,911,876	68,015,461
Used Merchandise Stores	51,771,880	55,602,910	55,576,353	60,689,744
Sporting Goods, Hobby, Book & Music Stores	69,872,200	69,652,955	70,118,603	67,073,041
Consumer Goods & Commercial Equipment Rental	26,001,035	32,627,335	35,674,860	39,782,395
Electronics & Appliance Stores	27,081,081	29,156,779	32,363,432	34,357,053
Beer, Wine & Liquor Stores	32,771,682	35,144,018	37,378,773	39,021,329
Health & Personal Care Stores	24,184,828	25,738,812	25,362,219	24,950,613
Hotels, Motels & Other Accommodations	34,803,569	34,947,731	35,576,429	35,964,857
Broadcasting & Telecommunications	49,318,711	45,335,493	39,859,130	37,607,236
Furniture & Home Furnishing Stores	20,615,891	23,029,403	23,765,980	24,961,249
Gasoline Stations with Convenience Stores	13,230,004	14,872,703	15,149,542	15,435,763
Office Supplies, Stationery & Gift Stores	12,985,091	12,061,466	9,599,761	8,016,689
All Other Categories	44,780,482	45,911,423	53,390,700	58,821,431
	\$ 1,433,855,194	\$ 1,492,686,235	\$ 1,523,575,862	\$ 1,595,292,693

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

	2018	2019	2020	2021	2022	2023
\$	280,312,063	\$ 286,929,211	\$ 294,881,782	\$ 317,428,259	\$ 326,857,321	\$ 350,861,879
	232,407,146	238,987,880	202,326,833	238,074,845	277,578,526	288,565,670
	158,424,696	198,525,897	197,191,418	196,410,035	204,807,650	212,307,412
	140,963,620	151,870,172	153,298,019	183,983,823	190,000,311	198,958,083
	130,413,298	139,493,874	164,591,606	165,939,676	197,590,262	195,579,961
	50,647,172	62,055,246	79,564,095	89,749,812	121,930,032	124,713,212
	119,278,467	101,732,469	69,251,659	87,690,040	77,213,508	69,971,173
	72,404,726	76,500,623	74,685,815	83,380,551	93,226,023	104,285,837
	61,665,848	64,653,055	61,865,587	75,311,160	83,710,259	96,146,668
	59,177,505	55,521,130	52,813,645	64,700,621	59,857,054	55,773,356
	44,573,117	46,715,288	43,062,942	49,112,779	51,093,699	51,677,204
	35,936,636	40,876,629	37,934,351	44,458,171	45,203,488	43,460,000
	38,449,194	33,937,477	37,270,346	35,780,673	34,868,934	31,454,654
	24,642,318	26,693,289	28,979,368	34,072,346	36,299,748	33,196,429
	37,776,265	41,025,271	21,580,216	31,598,031	45,832,723	53,488,693
	34,838,716	30,987,036	28,766,053	26,173,040	26,059,751	23,916,156
	22,090,985	22,833,594	13,110,769	24,260,464	25,744,436	19,947,972
	16,466,845	19,198,877	20,833,909	24,155,019	27,538,957	30,087,391
	10,376,476	8,333,256	9,424,348	7,586,446	7,887,035	6,810,089
	59,624,192	92,211,871	95,991,984	108,395,289	144,785,670	171,257,420
	\$ 1,630,469,285	\$ 1,739,082,145	\$ 1,687,424,745	\$ 1,888,261,080	\$ 2,078,085,387	\$ 2,162,459,259

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

	State	County	City	Centerra Metro District
2014	2.90%	0.60%	3.00%	1.75%
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%

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 2014				Fiscal Year 2023			
	Tax Liability		Percentage of Total		Tax Liability		Percentage of Total	
		Rank	Tax Collected			Rank	Tax Collected	
Department Stores & General Merchandise	\$ 8,034,830	1	20.40%	\$ 10,305,391	1	16.58%		
Restaurants & Bars	5,118,434	2	12.99%	8,036,903	2	12.93%		
Grocery Stores & Specialty Foods	3,869,847	3	9.82%	6,351,838	3	10.22%		
Building Material & Lawn & Garden Supplies	2,948,406	5	7.48%	5,828,458	4	9.38%		
Motor Vehicle Dealers, Auto Parts & Leasing	2,967,934	4	7.53%	5,714,604	5	9.19%		
Electronic Shopping & Mail-Order Houses				3,733,787	6	6.01%		
Utilities	1,893,751	7	4.81%	3,128,574	7	5.03%		
Misc. Retail including Used Merchandise Stores	1,393,372	10	3.54%	2,754,407	8	4.43%		
Consumer Goods & Commercial Equipment Rental				1,554,973	9	2.50%		
Sporting Goods, Hobby, Book & Music Stores	1,743,246	8	4.43%	1,432,427	10	2.30%		
Clothing & Clothing Accessories Stores	2,886,617	6	7.33%					
Beer, Wine & Liquor Stores								
Broadcasting & Telecommunications	1,413,924	9	3.59%					
Total (Top Ten Principal Remitters only)	\$ 32,270,361		81.92%	\$ 48,841,362		78.57%		
Total Sales Tax Collected	\$ 39,391,838			\$ 62,169,807				

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

Fiscal Year	Governmental Activities					
	Leases	Certificates of Participation	Oversizing Agreements	IGA for Apparatus	Financing Agreements	Loan Agreement
2014	-	-	4,095,285	-	-	-
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	-	14,790,000	759,475	-	11,910,376	1,000,000
2023	-	14,390,000	708,204	-	11,313,893	1,000,000

Fiscal Year	Business-Type Activities			Total Primary Government	Percentage of	
	Oversizing Agreements	Water/Waste-water Board Loan ¹	Electric & Communication Loan ¹		Personal Income	Per Capita
2014	-	100,000	-	4,195,285	0.14%	58.3
2015	10,678	10,206,594	-	13,945,165	0.43%	187.6
2016	10,678	13,200,000	-	16,795,592	0.50%	225.7
2017	-	13,150,000	-	31,858,389	0.89%	421.1
2018	48,652	36,880,000	-	59,124,155	1.54%	779.6
2019	109,591	35,575,000	95,142,885	153,145,158	3.66%	1,982.9
2020	118,274	34,225,000	94,737,770	150,274,058	3.49%	1,952.3
2021	143,691	85,399,814	94,298,895	209,468,780	4.83%	2,742.5
2022	328,545	79,556,516	93,893,780	202,238,692	3.52%	2,602.5
2023	454,213	76,813,218	92,238,665	196,918,193	2.88%	2,358.8

¹ Includes Bond Premium

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. The City has six interfund loans that are not included on the table above. In Governmental Activities the following loans were made:

- A loan of \$1,500,000 from the CEF Fund to the Loveland Urban Renewal Authority (LURA) to help fund a mixed use building in the downtown area. The entire \$1,500,000 was moved over to LURA in 2013.
- A loan of \$63,100 from General Fund to LURA for waived material use tax, phase II environmental study, and a blight study and plan amendment.
- A loan of \$900,000 from the Museum CEF to LURA for land purchased for the downtown project.
- A loan of \$2,200,000 from Fleet and CEF funds to Economic Incentive fund for an incentive agreement with Evergreen Development Company (Sprouts).
- A loan of \$366,000 from General Government CEF to LURA for the purchase of the former Larimer County building in downtown Loveland.

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, 2023

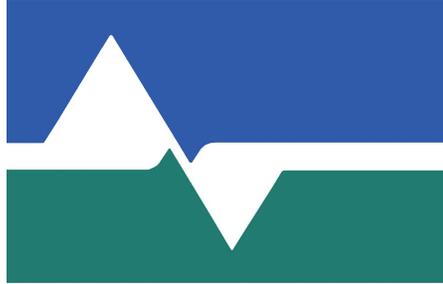
	<u>Debt Outstanding</u>	<u>Percentage Applicable to Loveland¹</u>	<u>Loveland's Share of Debt</u>
<u>Governmental Unit</u>			
City of Loveland - Debt Applicable to Debt Limit	\$ 27,412,097	100.0%	\$ 27,412,097
Thompson R2-J School District	223,348,127	55.4%	<u>123,734,862</u>
Total			<u><u>\$ 151,146,959</u></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 6/30/2023

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

	2014	2015	2016
Debt Limit	215,026,668	252,345,735	258,781,268
Total net debt applicable to limit	-	-	-
Legal debt margin	<u>\$ 215,026,668</u>	<u>\$ 252,345,735</u>	<u>\$ 258,781,268</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2023

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

2017	2018	2019	2020	2021	2022	2023
315,872,211	322,651,905	378,228,794	383,115,598	415,758,875	422,767,599	529,118,569
15,900,000	15,900,000	15,900,000	15,540,000	16,170,000	15,790,000	15,390,000
<hr/>						
\$ 299,972,211	\$ 306,751,905	\$ 362,328,794	\$ 367,575,598	\$ 399,588,875	\$ 406,977,599	\$ 513,728,569
<hr/>						

5.03% 4.93% 4.20% 4.06% 3.89% 3.73% 2.91%

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

Fiscal Year	Gross Revenue	Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2014	9,297,087	8,938,200	358,887	-	3,296	3,296	-
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

Note: There is long term debt as disclosed in the Long-Term Debt footnote for the Water enterprise fund. Interest is paid semi-annually starting in 2015 and principal payments on this debt started in 2017. There is long term debt as disclosed in the Long-Term Debt footnote for the Waste Water enterprise fund. Interest is paid semi-annually starting in 2017 and principal payments on this debt started in 2019. There is long term debt as disclosed in the Long-Term Debt footnote for the Electric and Communications enterprise fund. Interest is paid semi-annually starting in 2019 and principal payments on this debt started in 2023. There is long term debt as disclosed in the Long-Term Debt footnote for the Water enterprise fund. Interest is paid semi-annually starting in 2022 and principal payments on this debt started in 2022.

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
2014	70,210	\$ 3,009,621,860	\$ 42,866	37.7	4.8
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

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	2014			2023		
	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment (A)
Thompson School District R2-J	2,043	1	4.66%	2,455	1	4.88%
Hach Company	980	3	2.24%	1,700	2	3.38%
Medical Center of the Rockies	1,447	2	3.30%	1,343	3	2.67%
Wal-Mart Distribution Center	895	5	2.04%	1,273	4	2.53%
City of Loveland	969	4	2.21%	985	5	1.96%
Heska Corp.				808	6	1.60%
Nutrein/Crop Production Services	478	8	1.09%	525	7	1.04%
McKee Medical Center	708	6	1.62%	326	8	0.65%
LPR Construction				323	9	0.64%
Lightning eMotors, Inc.				269	10	0.53%
Woodward Governor	500	7	1.14%			
Kroll Factual Data	350	9	0.80%			
Agilent Technologies	300	10	0.68%			
Total (Top Ten Principal Employers)	8,670		18.75%	10,007		19.37%
Total City Employment	43,825			50,355		

Source: 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).

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

Function/Program	2014	2015	2016¹	2017	2018	2019	2020²	2021	2022	2023
Executive & Legal	12	12	18	21	24	24	-	-	-	-
City Manager	-	-	-	-	-	-	9	9	10	12
City Attorney	-	-	-	-	-	-	9	8	8	9
City Clerk	7	7	4	4	5	5	5	5	5	5
Community & Business Relations	1	1	1	1	1	1	1	1	1	1
Economic Development	8	8	7	8	8	8	8	8	9	9
Finance	45	45	45	48	51	51	51	56	60	61
Development Services	25	28	30	28	29	29	27	27	29	29
Municipal Court	-	-	-	-	-	-	5	7	7	8
Public Works	93	95	96	103	105	105	106	106	107	116
Police	140	144	151	159	161	161	171	171	175	179
Law Enforcement Training Center	-	-	-	-	-	-	-	-	-	2
Fire	81	83	84	92	92	92	108	108	109	120
Parks & Recreation	65	66	67	68	70	69	72	73	72	76
Library	31	32	32	32	32	33	32	32	31	31
Cultural Services	13	13	13	13	14	14	15	15	17	17
Human Resources	13	14	13	13	14	14	14	15	16	16
Information Technology	21	23	23	23	23	23	22	24	24	24
Golf - Parks & Recreation	13	13	14	14	14	14	14	14	15	15
Water & Power	121	129	132	136	143	145	179	181	189	205
Solid Waste - Public Works	28	28	28	29	30	30	31	31	31	34
Stormwater - Public Works	15	15	14	15	17	17	17	16	18	18
Total	732	756	772	807	833	835	896	907	933	987

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

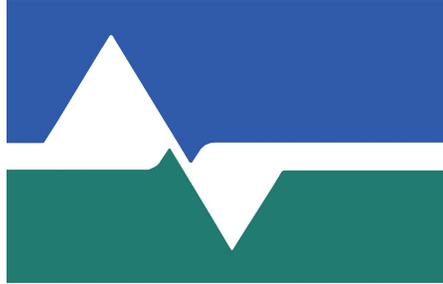
Full-time equivalent (FTE) employment is calculated by dividing total labor hours by 2080.

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.

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

<u>Function/Program</u>	2014	2015	2016	2017
<i>General Government</i>				
Building Permits Issued	2,324	2,762	2,624	2,581
Building Inspections Conducted	22,080	31,889	28,787	26,267
<i>Police</i>				
Physical Arrests (Adults)	2,616	2,604	2,825	3,029
Physical Arrests (Juveniles)	597 ⁵	708	552	641
Parking Violations	1,379	1,784	1,857	1,826
Traffic Violations	10,811	10,363	7,775	9,799
<i>Fire</i>				
Emergency Responses	7,005	7,501	7,915	8,393
Fires Extinguished	58	64 ³	136 ³	167
Business Inspections	300	348	416	287
<i>Solid Waste Collection</i>				
Solid Waste Collected (tons per day)	97	99	98	99
Recyclables Collected (tons per day)	27	27	28	27
Yard Waste Collected (tons per day)	33 ¹	33	39	39
<i>Other Public Works</i>				
Street Resurfacing (miles)	15	16	17	10
Potholes Repaired	3,810	3,911	5,653	3,258
<i>Parks and Recreation</i>				
Athletic Field & Court Reservations	12,513	10,698	16,928	17,564
Chilson Center Admissions	468,015	464,561	464,059	445,713
Rounds of Golf	115,311	120,940	118,348	117,494
<i>Library</i>				
Volumes in Collection (Physical)	150,247	149,613	152,993	134,595 ²
Volumes in Collection (Digital)	25,722	421,596	537,219	49,386
<i>Water</i>				
New Connections	268	450	403	370
Water Main Breaks	75	68	88	48
Average Daily Consumption (thousands of gallons)	9,546	10,003	10,613	10,160
Peak Daily Consumption (thousands of gallons)	25,300	27,400	27,300	27,426
<i>Wastewater</i>				
Average Daily Sewage Treatment (thousands of gallons)	6,500	6,500	6,530	6,158
<i>Power</i>				
Megawatt hours (purchased from PRPA)	754,461	753,665	731,596	724,614
<i>Transit</i>				
Total Route Miles	230,055	247,576	238,217	236,905
Passengers	139,199	140,235	116,964	105,917

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.

2018	2019	2020	2021	2022	2023
2,757	2,356	3,210	3,420	3,676	3,238
25,242	28,535	26,720	35,724	44,636	25,648
2,964	3,099	2,853	3,050	2,492	2,846
799	829	302	315	433	405
2,333	1,957	1,879	2,280	1,872	1,165
12,524	13,654	10,461	7,279	5,596	5,679
8,452	8,846	9,002	9,885	10,473	11,149
164	164	179	157	174	140
429	518	108 ⁴	111 ⁴	422	266
104	99	101	106	106	108
27	26	26	25	25	25
39	38	38	38	38	50
25	27	29	32	31	30
4,015	5,824	4,308	5,746	6,843	6,754
14,086	13,030	8,410	18,238	18,236	21,890
442,679	464,562	162,218	224,204	305,567	307,096
109,560	106,016	123,275	139,321	146,831	148,375
127,786	124,000	124,444	117,194	121,850	124,761
65,885	85,150	37,359 ⁵	136,185 ⁵	97,230 ⁶	107,203
286	270	425	516	563	346
56	45	39	47	39	23
10,707	9,926	10,777	10,502	10,818	8,871
27,698	24,813	26,788	27,027	26,983	23,519
5,970	5,933	5,934	6,269	5,675	6,164
741,955	724,032	711,481	733,085	748,434	725,177
279,970	305,415	289,701	319,506	361,862	408,704
104,144	118,236	74,213	79,827	98,615	122,297

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.

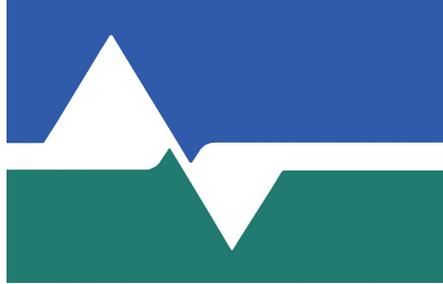
⁴ The business inspections number is significantly down due to COVID lockdown as well as many businesses being shuttered due to the public health emergency.

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 consortuim 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

	2014	2015	2016	2017	2018
<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	22 ⁵	24 ⁵	24	22	22
<i>Other Public Works</i>					
Highways (miles) ¹	24	24	24	24	24
Streets (miles) ¹	340	340	343	343	313
Traffic Signals	94	94	94	97	95
<i>Parks and Recreation</i>					
Acreage - Developed Park	388	438	438	438	453
Playgrounds	27	28 ³	28	28	28
Splash Parks	2	2	2 ⁴	2	2
Baseball/Softball Diamonds	30	30	30	30	30
Soccer/Football Fields	38	38	38	38	38
Community Centers/Recreation Center	1	1	1	1	1
<i>Water</i>					
Water Mains (miles)	442	451	456	459	463
Fire Hydrants	2,961	3,017	3,103	3,134	3,171
Storage Capacity (thousands of gallons)	20,300	20,300	20,300	20,300	20,560
<i>Wastewater</i>					
Sanitary Sewers (miles)	341	342	348	350	353
Treatment Capacity (thousands of gallons)	10,000	10,000	10,000	10,000	10,000
<i>Power</i>					
Overhead Conductors (miles)	299	298	297	289	287
Underground Conductors (miles)	1,062	1,084	1,097	1,121	1,122
Streetlights	6,040	6,055	6,188	6,237	6,435
<i>Transit</i>					
Fixed Route ²	6	6	7	6	9
Paratransit ²	4	4	2	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.

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

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

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

Source: City of Loveland Departments

2019	2020	2021	2022	2023
1	1	1	1	1
12	12	12	12	16
6	7	7	9	9
22	22	22	22	28
119	131	154	130	131
229	239	273	259	261
95	96	96	98	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
1	1	1	1	1
483	469	473	464	483
3,295	3,247	3,289	3,364	3,378
20,560	20,560	26,060	26,060	26,060
373	359	363	370	370
10,000	10,000	10,000	10,000	1,000
283	282	280	279	277
1,135	1,137	1,189	1,222	1,239
6,454	6,716	6,895	7,063	7,115
9	9	8	10	10
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 Firing 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.

Defease: 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/Country 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.

PDDPA: 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

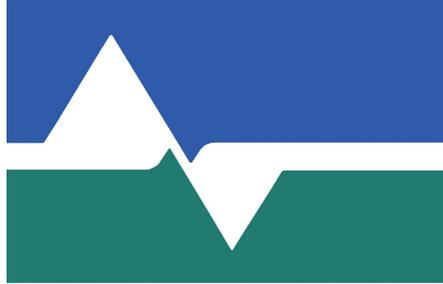
Water Reclamation Facility - Provides wastewater treatment and reclamation and administers the industrial pretreatment program. Monitoring of treatment processes.

Windy Gap Firing 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, 2023**

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
Auditing Standards* 1-2

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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, 2023 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, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as Finding 2023-001, that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

The City's Response to the Finding

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

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.



June 26, 2024



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, 2023. 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, 2023.

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.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

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.

Plante & Moran, PLLC

June 26, 2024

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2023

Federal Agency/Pass-through Agency/Program Title	Assistance Listing Number	Pass-through Entity Identifying Number/Grant Agreement 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	-	65,744
Total U.S. Economic Development Administration			-	65,744
U.S. Department of Housing and Urban Development				
Direct - CDBG - Entitlement Grants Cluster -				
CDBG - Entitlement Grants Cluster:				
Community Development Block Grants/Entitlement Grants	14.218	N/A	143,541	272,327
COVID-19 - Community Development Block Grants/Entitlement Grants	14.218	N/A	28,172	31,516
Total CDBG - Entitlement Grants Cluster			171,713	303,843
Passed through Colorado Department of Local Affairs/Division of Housing				
COVID-19 Community Development Block Grant State's program	14.228	CTGG1 2023*4116	-	200,000
Total U.S. Department of Housing and Urban Development			171,713	503,843
U.S. Department of Labor - Passed through Colorado Department of Labor and Employment - Apprenticeship USA Grants	17.285	187345/CTGG1 PMAA 2024*2742	-	2,591
U.S. Fish and Wildlife Service				
Passed through Colorado Parks and Wildlife				
Fish and Wildlife Cluster:				
Sport Fish Restoration Program	15.605	N/A	-	26,803
Passed Through Colorado Parks and Wildlife/Land and Water Conservation Fund				
Outdoor Recreation, Acquisition, Development, and Planning	15.916	POGG1,KAPP,202400002018	-	189,992
Total U.S. Fish and Wildlife Service			-	216,795

Schedule of Expenditures of Federal Awards (Continued)

Year Ended December 31, 2023

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	-	29,248
U.S. Department of Transportation				
Direct - Federal Transit Cluster:				
Federal Transit Formula Grants	20.507	CO-2023-009-01	-	356,194
COVID-19 - Federal Transit Formula Grants	20.507	CO-2023-010-01	-	1,990,100
COVID-19 - Federal Transit Formula Grants	20.507	CO-2020-022-00	-	367,365
Federal Transit Formula Grants	20.507	CO-2023-012-00	-	22,071
Large Urban Formula	20.507	CO-2023-024-00	-	26,731
Total Federal Transit Cluster			-	2,762,461
Direct - Airport Improvement Program	20.106	DOT-FA23NM-1055	-	241,650
Direct - COVID-19 - Airport Improvement Program	20.106	N/A	-	5,112,419
Total Airport Improvement Program			-	5,354,069
Passed through Colorado Department of Transportation				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	411016570	-	9,163
State and Community Highway Safety	20.600	411024378	-	12,889
Total Highway Safety Cluster			-	22,052
Highway Planning and Construction	20.205	BRO M830-100 (23491)	-	577,534
Highway Planning and Construction	20.205	21-HA4-XC-03074-M0007	-	276,809
Total U.S. Department of Transportation			-	8,992,925
U.S. Department of the Treasury -				
Direct - COVID-19 - American Rescue Plan Act (ARPA) - Coronavirus State & Local Fiscal Recovery Funds	21.027	SLT-1797	191,079	3,816,836
National Endowment for the Arts - Direct - Promotion of the Arts Partnership Agreements	45.025	TW20230116	-	500

Schedule of Expenditures of Federal Awards (Continued)

	Year Ended December 31, 2023			
U.S. Environmental Protection Agency				
Direct -Assessment and Cleanup Cooperative Agreements Passed through Colorado Department of Public Health and Environment - Drinking Water State Revolving Fund Cluster -	66.818	BF - 95811700 - 0	-	113,495
Capitalization Grants for Drinking Water State Revolving Funds	66.468	SWPP D&I	-	5,000
Total U.S. Environmental Protection Agency			-	118,495
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	-	106,314
Corporation for National and Community Service - Passed through Serve Colorado - Volunteer Generation Fund	94.021	N/A	-	44,043
U.S. Department of Homeland Security				
Direct - Assistance to Firefighters Grant	97.044	EMW-2021-FG-00147	-	815,490
Passed through Colorado Department of Public Safety - Hazard Mitigation Grant	97.039	22HMGP12LOV	-	260,411
Total U.S. Department of Homeland Security			-	1,075,901
Total federal expenditures			\$ 362,792	\$ 14,973,235

Notes to Schedule of Expenditures of Federal Awards

Year Ended December 31, 2023

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, 2023. 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

Schedule of Findings and Questioned Costs

Year Ended December 31, 2023

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? X Yes No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes X None reported

Noncompliance material to financial statements noted? Yes X None reported

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes 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)? Yes X No

Identification of major programs:

Assistance Listing Number	Name of Federal Program or Cluster
21.027	Coronavirus State and Local Fiscal Recovery Funds
20.106	Airport Improvement Program
97.044	Assistance to Firefighters Grant

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

Auditee qualified as low-risk auditee? Yes X No

Schedule of Findings and Questioned Costs (Continued)

Year Ended December 31, 2023

Section II - Financial Statement Audit Findings

Reference Number	Finding
2023-001	<p>Finding Type - Material weakness</p> <p>Criteria - Management should have a process in place to ensure all year-end entries are properly recorded in accordance with generally accepted accounting principles (GAAP) prior to the commencement of the audit.</p> <p>Condition - A year-end journal entry necessary to state the financial statements in accordance with GAAP was identified as part of the audit.</p> <p>Context - An adjustment of approximately \$388,000 to decrease grant revenue and increase the unavailable revenue deferred inflow of resources in the Transportation Fund was necessary in order to ensure the financial statements were stated in accordance with GAAP. There was also an adjustment to the financial statements that should have been made in the amount of approximately \$165,000 in order to correctly state the City's financial statements at year end that was not adjusted, as management did not deem the item to be significant enough to correct in the accounting records (referred to as a "passed adjustment"). The passed adjustment was to decrease grant revenue and increase the unavailable revenue.</p> <p>Cause - Due to a delay in the closeout of the grant, the funds were not received within the period of availability, and the City did not review the status of the receivable prior to the audit to ensure it was properly recorded as a deferred inflow of resources.</p> <p>Effect - If the journal entry identified above had not been recorded, the financial statements would have been materially misstated.</p> <p>Recommendation - The City should develop a process to review subsequent collections of year-end receivables to ensure revenue and deferred inflows of resources are appropriate.</p> <p>Views of Responsible Officials and Planned Corrective Actions - The City agrees with the finding. Management proposes that a review of all grant receivables be done in the first quarter following the audit year to verify whether funds have been received to justify the recording of grant revenue. If during that review we find that funds will not be received within the period of collectibility, year-end journal entries will be posted to move the revenue to unavailable deferred inflow of resources.</p>

Section III - Federal Program Audit Findings

None

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): 12/23

This Information From The Records Of: City of Loveland	Prepared By: Sarah Cerini
------------------------------------------------------------------	-------------------------------------

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)	\$ 13,289,142
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	\$ -
2. General fund appropriations		b. Snow and ice removal	
3. Other local imposts (from page 2)	\$ 6,146,910	c. Other	
4. Miscellaneous local receipts (from page 2)	\$ 4,767,246	d. Total (a. through c.)	\$ -
5. Transfers from toll facilities		4. General administration & miscellaneous	
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	\$ 14,416,938
a. Bonds - Original Issues		6. Total (1 through 5)	\$ 27,706,080
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)	\$ 10,914,156	b. Redemption	
B. Private Contributions	\$ 9,664,470	c. Total (a. + b.)	\$ -
C. Receipts from State government (from page 2)	\$ 3,061,641	2. Notes:	
D. Receipts from Federal Government (from page 2)	\$ 1,360,608	a. Interest	
E. Total receipts (A.7 + B + C + D)	\$ 25,000,875	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)	\$ 27,706,080

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
	\$ 4,935,724	\$ 25,000,875	\$ 27,706,080	\$ 2,230,519	\$ -

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
COLORADO
 YEAR ENDING (mm/yy):
12/23

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 Assessments		a. Interest on investments	\$ 7,639
b. Other local imposts:		b. Traffic Fines & Penalties	\$ 453,664
1. Sales Taxes		c. Parking Garage Fees	\$ 89,333
2. Infrastructure & Impact Fees	\$ 4,518,680	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	\$ -
4. Licenses	\$ 6,300	f. Charges for Services	\$ 4,111,109
5. Specific Ownership &/or Other	\$ 1,621,930	g. Other Misc. Receipts	\$ 63,039
6. Total (1. through 5.)	\$ 6,146,910	h. Other	\$ 42,462
c. Total (a. + b.)	\$ 6,146,910	i. Total (a. through h.)	\$ 4,767,246
<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.)	\$ 2,691,145	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	\$ 259,580	d. Federal Transit Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other	\$ 110,916	f. Other Federal ARPA	\$ 1,360,608
f. Total (a. through e.)	\$ 370,496	g. Total (a. through f.)	\$ 1,360,608
4. Total (1. + 2. + 3.f)	\$ 3,061,641	3. Total (1. + 2.g)	\$ 1,360,608
<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	\$ 1,692,636	\$ 91,706	\$ 1,784,342
b. Engineering Costs	\$ 136,879	\$ 181,223	\$ 318,102
c. Construction:			
(1). New Facilities	\$ -	\$ 101,522	\$ 101,522
(2). Capacity Improvements	\$ 612,626	\$ -	\$ 612,626
(3). System Preservation	\$ -	\$ 10,411,928	\$ 10,411,928
(4). System Enhancement And Operation	\$ -	\$ 60,622	\$ 60,622
(5). Total Construction (1)+(2)+(3)+(4)	\$ 612,626	\$ 10,574,072	\$ 11,186,698
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	\$ 2,442,141	\$ 10,847,001	\$ 13,289,142
<i>(Carry forward to page 1)</i>			

Notes and Comments: