



2023

City of Loveland, CO

**CITIZENS' ANNUAL
FINANCIAL REPORT**



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Message From the CFO

Brian Waldes
Chief Financial Officer
City of Loveland

About the Citizens' Financial Report

The City of Loveland Finance Department is pleased to present the Citizens' Annual Financial Report (PAFR) for the fiscal year ending December 31, 2023.

Annually, Loveland is required to prepare an Annual Comprehensive Financial Report (ACFR), providing a detailed analysis of the City's financial position in accordance with Generally Accepted Accounting Principles (GAAP). The ACFR includes in-depth results from the City's annual audit, offering a more comprehensive look at the City's finances than this summary provided here.

The information in this PAFR is drawn from the FY2023 ACFR, highlighting key financial data for the City. However, it does not encompass all City funds or include the full set of financial statements and disclosures required by GAAP.

For a complete review, you can access the full 2023 ACFR by clicking [HERE](#).

Welcome to the City of Loveland's Citizens' Annual Financial Report, a user-friendly summary of our financial performance and highlights for the past fiscal year. This report is designed to provide you, our residents, with an accessible overview of how the city manages public funds and resources to deliver essential services, maintain infrastructure, and invest in our community's future.

Please note that because this report is an overview, it does not include all financial statements or component units of the government. Instead, it focuses on key financial data and significant achievements to give you a clear picture of the city's overall financial health and operations. For those interested in a more detailed analysis, the full Comprehensive Annual Financial Report (ACFR) is available for review.

Within this report, you will find key information about the city's revenues, expenditures, and overall financial health, along with insights into major capital projects and strategic initiatives. The financial results presented reflect our ongoing commitment to transparency, fiscal responsibility, and sound financial management. By sharing this report, we aim to keep you informed about how we are working to build a vibrant, sustainable, and resilient community.

We encourage you to explore this report to better understand how your city is funded, where your tax dollars are being spent, and the steps we are taking to ensure a strong financial foundation for years to come. Thank you for your continued engagement and support in helping our city thrive.

Our Organization

Our Vision:

A vibrant community, surrounded by natural beauty, where you belong!

Our Mission:

Achieving Loveland's community vision through innovation, dedication & excellent service.

Our Values:

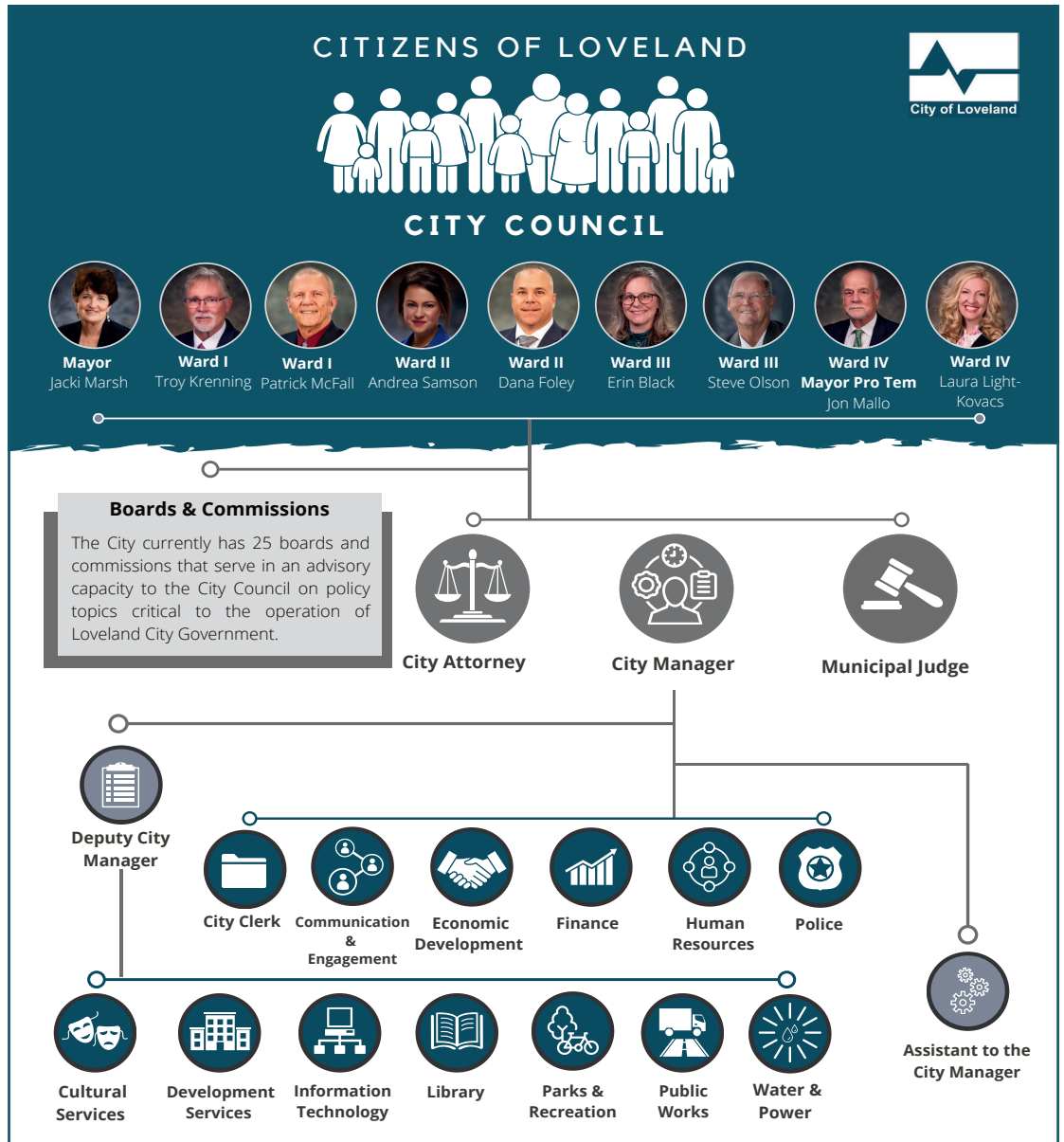
Accountability & Integrity, Transparency & Honoring the Public Trust, Collaboration, Innovation, Safety, and Excellent Service with Courtesy & Kindness

Strategic Focus Areas:

Public Safety
Economic Vitality
Infrastructure & Transportation
Fiscal Stability & Strength

Livability
Sustainability
Innovation & Organizational Excellence
Outreach, Collaboration & Engagement

Organizational Structure:



The Loveland Community

Economy & Demographics

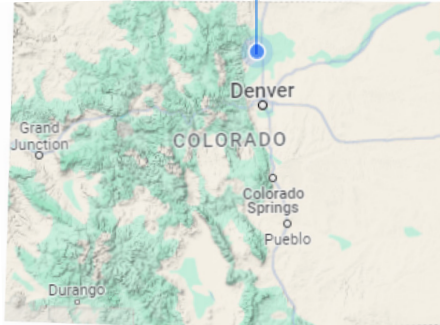
As of 2023, Loveland had a population of 83,484, reflecting steady growth over recent years. With a median age of around 40, Loveland boasts a balanced demographic of young families and older residents, highlighting the City's broad appeal and vibrant community life.

The median household income in Loveland is \$81,898, showing a positive trend over the past decade. This increase in income levels can be attributed to the City's robust economic growth and the influx of higher-paying jobs. Loveland's unemployment rate is relatively low, at approximately 2.9%, indicating a healthy job market supported by diverse industries and employment opportunities.

Education is highly valued in Loveland, with approximately 94% of adults over 25 years of age having completed high school, and 38% holding a bachelor's degree or higher. These educational achievements reflect the community's commitment to academic excellence and its appeal to well-educated residents, contributing to a skilled and capable workforce.

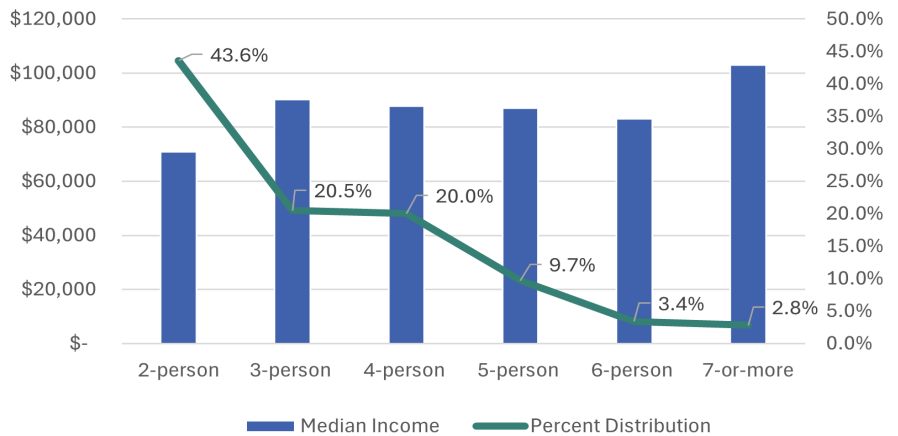
The major employers in Loveland include Thompson School District, Medical Center of the Rockies, Walmart, McKee Medical, and Hach Comp. Loveland benefits from a diverse economic base with companies in healthcare, technology, manufacturing, and customer service contributing to its employment landscape and economic resilience. Additionally, the City's proactive economic development initiatives continue to attract new businesses and investments, promoting a growing and dynamic economic environment.

LOVELAND

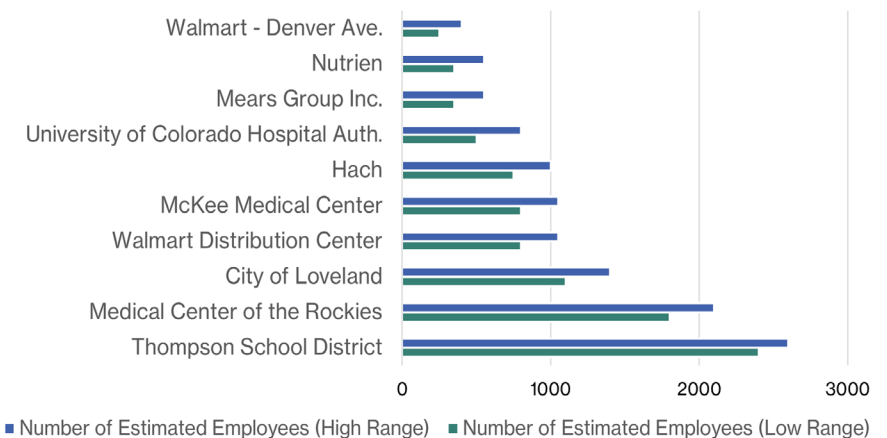


Incorporated: 1881
 Government Type: Home Rule
 Land Area: 37.41 sq. miles
 Population: 83,484
 Median Age: 40.4
 Median Home Income: \$81,898
 Education:
 High School Degree - 18.7%
 Some College - 24.9%
 Associates Degree - 12.2%
 Bachelors Degree - 22.9%
 Graduate Degree - 15.3%

Household Composition & Median Incomes



Top 10 Loveland Employers



Source: City of Loveland, Economic Development

Basis of Accounting & Financial Reporting

The term “basis of accounting” refers to the rules and methods used to record financial transactions in a municipality’s financial statements. In municipal finances, the two main types of accounting bases are the Generally Accepted Accounting Principles (GAAP) basis and the budget basis of accounting.

- **GAAP Basis of Accounting:** This method follows standardized rules for recording financial transactions, ensuring consistency and comparability across financial reports. It is commonly used in the City’s Annual Comprehensive Financial Report (ACFR)
- **Budget Basis of Accounting:** This method aligns with the City’s annual budget, focusing on managing and tracking expenditures to ensure compliance with the budget. It is used to compare actual financial activities against planned budgets, helping to control spending and maintain fiscal discipline.

Most financial statements in this report are derived from the ACFR, which follows the GAAP basis of accounting. This ensures a consistent and standardized approach to financial reporting, making it easier to understand and compare the City’s financial performance over time.

Understanding these accounting bases is crucial for interpreting the City’s financial health and budgetary compliance. This foundation allows for a comprehensive analysis of the City’s financial activities, promoting transparency and accountability in the management of taxpayer funds.



Did You Know?

Every year, Loveland City Council adopts an operating budget by ordinance, setting spending limits for various City functions. To ensure compliance with the budget, City staff analyze reports, which use the Budget Basis of Accounting, to effectively track and manage expenditures.

You can explore these reports online, including the City’s Monthly and Quarterly Financial Reports to City Council, by clicking [HERE](#).

Explore the City budget online by clicking [HERE](#).

Accounting Terms

Below are definitions for accounting terms used in this Citizens' Financial Report.

Capital Budget: The budget specifically set aside for funding large projects like City construction, and purchasing land, buildings, or equipment.

Capital Projects: These are projects that involve building, rebuilding, or acquiring long-term assets like land, buildings, or equipment.

Enterprise Funds: Financial accounts used by the City to manage and operate services that are run like businesses, such as utilities or the City's golf facilities. These services are primarily funded by the fees charged to the people who use them. These funds do not receive contributions from the City's General Fund.

Expenses: The operational costs of the City, including personnel services, supplies, purchased services, equipment replacement and capital expenditures.

General Fund: The City's chief operating fund, used to pay for regular City operations. Funded primarily by taxes.

Governmental Funds: For Loveland this includes the General Fund, Capital Projects Fund, Loveland Fire Rescue Authority, Loveland Urban Renewal Authority, and other funds funded by general government revenues.

Program Revenues: Money collected from users who receive or participate in specific City services, such as cultural or recreational programs.

Current and Other Assets: Assets that are expected to be converted to cash, sold, or used within a year.

Current Liabilities: Debts that are expected to be paid off within a year, like bills, payroll, and interest.

Capital Assets: The City's long-term investments, such as land, buildings, and infrastructure, used to provide services to residents and not available for future spending.

Deferred Outflows of Resources: These are costs the City has already paid but will count towards financial statements in a future period, positively impacting the City's net worth, similar to assets.

Long-Term Liabilities: Mainly the City's pension obligations and the City's debt service which are often used to fund large projects like road construction or purchasing major equipment.

Deferred Inflows of Resources: These are resources the City has received but will count towards financial statements in a future period, negatively impacting the City's net worth, similar to liabilities.

Net Investment in Capital Assets: The City's total investment in its long-term assets, minus the wear and tear and any outstanding debt related to acquiring or improving those assets.

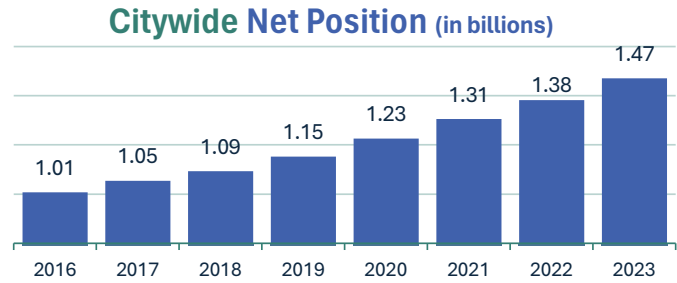
Restricted Net Position: Resources that must be used for specific purposes, such as paying off debt, funding growth-related projects, or maintaining reserves.

Revenues: Income the City generates through taxes and other sources. In order for these funds to be utilized they must be appropriated by the City Council for spending within a given fiscal year.

Unrestricted Net Position: Resources available for the City not already earmarked for a specified purpose. These funds may be used to add and/or increase services to the community.

Net Financial Position

The City's Statement of Net Position provides a city-wide, long-term view of the City's finances. Net position can be summarized as the difference between what the City owns (assets & deferred outflows of resources), and what the City owes (liabilities & deferred inflows of resources). A more detailed Statement of Net Position is provided in the City's ACFR. The chart below summarizes city-wide activity within categories and provides a comparison over prior years. This can serve as a useful indicator of the City's overall financial health & stability.



	2019	2020	2021	2022	2023
Assets					
Current & Other Assets	\$ 400,164,788	\$ 387,952,726	\$ 404,665,277	\$ 428,488,649	\$ 442,986,811
Capital Assets	981,638,396	1,067,932,712	1,202,963,049	1,270,553,239	1,341,020,154
Total Assets	1,381,803,184	1,455,885,438	1,607,628,326	1,699,041,888	1,784,006,965
Deferred Outflow of Resources	400,039	379,371	361,457	343,543	475,384
Total Assets & Deferred Outflow of Resources	1,382,203,223	1,456,264,809	1,607,989,783	1,699,385,431	1,784,482,349
Liabilities					
Current Liabilities	40,540,710	46,602,833	49,221,249	66,409,048	58,432,972
Non-Current Liabilities	158,826,058	152,671,058	219,239,581	215,484,548	215,343,403
Total Liabilities	199,366,768	199,273,891	268,460,830	281,893,596	273,776,375
Deferred Inflows of Resources	29,716,451	31,317,806	33,874,245	35,844,958	40,026,612
Total Liabilities & Deferred Inflows of Resources	229,083,219	230,591,697	302,335,075	317,738,554	313,802,987
Total Net Position	\$ 1,153,120,004	\$ 1,225,673,112	\$ 1,305,654,708	\$ 1,381,646,877	\$ 1,470,679,362

More formally referred to as the Statement of Activities, the City's income statement (below) reflects all the financial activity for the City during the fiscal year ended December 31, 2023. This statement presents information to show how the City's net assets changed during the year as a result of the year's financial activity. This is a summarized version of the more detailed income statement found in the City's ACFR.

	2019	2020	2021	2022	2023
Revenue	\$ 306,634,212	\$ 338,002,803	\$ 386,307,076	\$ 391,156,321	\$ 423,558,150
Expenses	244,381,054	265,449,695	306,325,480	312,897,894	334,525,665
Increase in Net Position	62,253,158	72,553,108	79,981,596	78,258,427	89,032,485
Net Position-Beginning	1,093,366,846	1,153,120,004	1,225,673,112	1,305,654,708	1,381,646,877
Prior Period Adj./Restatement	(2,500,000)	-	-	(2,266,258)	-
Net Position-Beginning as Restated	1,090,866,846	1,153,120,004	1,225,673,112	1,303,388,450	1,381,646,877
Net Position-Ending	\$ 1,153,120,004	\$ 1,225,673,112	\$ 1,305,654,708	\$ 1,381,646,877	\$ 1,470,679,362

The charts below and to the right show the Statement of Net Position for the City's Enterprise Funds and Governmental Funds, including the General Fund. The Total Fund Balance line in the chart to the right includes funds which fall into the categories listed below.

- **Nonspendable** - These funds are not in a spendable form or legally &/or contractually required to stay intact.
- **Restricted** - These funds can only be used for designated purposes due to external restrictions or City ordinances.
- **Committed** - Funds that can only be used for specific purposes imposed by formal action of City Council.
- **Assigned** - Funds intended for specific purposes that do not meet the criteria to be classified as restricted or committed.
- **Unassigned** - Residual, spendable amounts not contained in other categories.

Statement of Net Position - Governmental Funds		
	General Fund ¹	All Other Governmental Funds ²
Assets		
Current Assets	\$ 88,785,103	\$ 141,413,724
Total Assets	88,785,103	141,413,724
Deferred Inflow of Resources		
	-	-
Liabilities		
Current Liabilities	9,847,095	14,602,259
Total Liabilities	9,847,095	14,602,259
Deferred Outflows of Resources		
	16,495,470	27,872,166
Total Fund Balances	62,442,538	98,939,299
Total Liabilities, Deferred Inflows & Fund Balances	\$ 88,785,103	\$ 141,413,724

¹ General Fund includes Art in Public Places, Transit, Foundry Debt Service, and Economic Incentives in addition to General Fund departments.

² Other Governmental Funds includes LURA, Transportation, Capital Expansion Fees, Loveland Fire Rescue Authority, Capital Project Funds and other misc. funds.

Statement of Net Position - Enterprise Funds						
	Water	Waste Water	Stormwater	Electric & Comm.	Solid Waste	Golf
Assets						
Current Assets	\$ 14,070,099	\$ 15,297,750	\$ 8,638,758	\$ 41,037,560	\$ 9,778,565	\$ 5,652,348
Restricted Assets	30,043,995	3,967,487	8,350,537	29,159,779	212,055	282,879
Capital Assets	407,708,671	169,201,837	105,730,589	353,843,910	12,604,132	22,342,760
Accumulated Depreciation	(75,048,856)	(48,553,588)	(22,044,903)	(95,241,633)	(8,896,362)	(13,149,593)
Total Assets	376,773,909	139,913,486	100,674,981	328,799,616	13,698,390	15,128,394
Deferred Outflow of Resources						
Asset Retirement Obligation	-	-	-	257,725	-	-
Liabilities						
Current Liabilities	5,537,014	2,829,079	3,725,067	24,608,202	1,255,752	962,705
Long-term Liabilities	57,216,773	17,136,524	81,599	89,900,901	84,531	424,145
Total Liabilities	62,753,787	19,965,603	3,806,666	114,509,103	1,340,283	1,386,850
Deferred Inflow of Resources						
	-	-	-	-	-	-
Net Position						
Net Investment in Capital Asset	273,208,443	102,492,631	83,685,686	169,977,578	3,707,770	8,709,023
Restricted for Future Capital Im	30,043,995	3,967,487	8,350,537	24,779,838	212,055	282,879
Unrestricted	10,767,684	13,487,765	4,832,092	19,790,822	8,438,282	4,749,642
Total Net Position	\$314,020,122	\$119,947,883	\$ 96,868,315	\$214,548,238	\$ 12,358,107	\$ 13,741,544

Did You Know?

Enterprise funds, like those shown in the chart above, operate like a business, using fee revenue from services provided to users to cover their costs without relying on tax dollars from the General Fund.

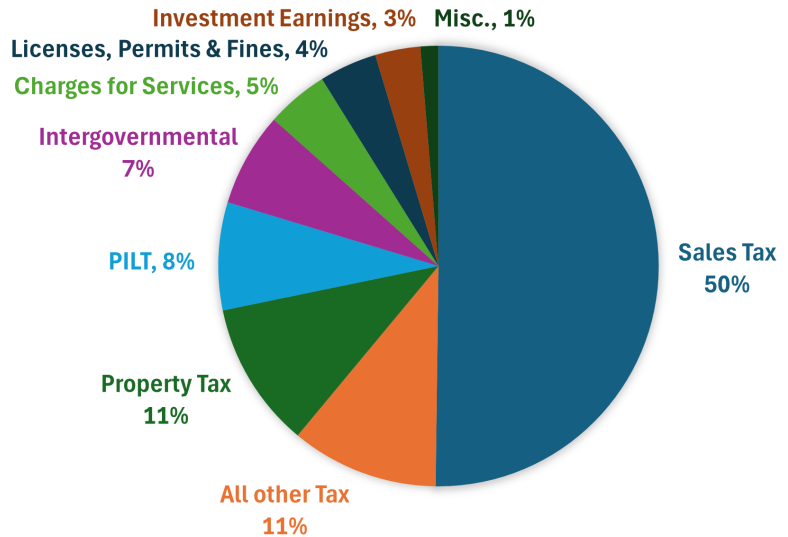
General Fund Revenue

The General Fund (GF) receives revenue from a diverse array of sources, each contributing to the overall financial stability and capacity of the City. These revenue streams are critical for funding public services, infrastructure, and community programs. The following breakdown highlights the percentage contribution of each revenue source, along with a brief explanation of their origins and significance.

- Taxes** are the primary source of revenue for the General Fund with **Sales Tax**, derived from taxes on the sale of goods and services within Loveland, being the largest contributor, accounting for 50% of total revenue. **Property Tax** is the second largest, making up 11% of GF revenue, and is based on the assessed value of real estate and other properties within the City. **Building, Use and all other taxes** total 11% of General Fund revenue and include revenues from construction, development, auto sales and other specific activities.
- Payment in Lieu of Taxes (PILT)**, accounts for 8% of GF revenue. These are payments made by the City's Enterprise Funds to the General Fund, compensating for property taxes they would otherwise pay, and supporting city-wide services such as public safety and infrastructure.
- Intergovernmental Revenue** represents 7% of the GF budget and includes funds received from federal, state, or other local governments, usually in the form of grants, reimbursements, or shared revenues. These funds support specific projects or programs.
- Charges for Services**, which account for 5% of the General Fund, are generated from user fees charged for specific programs and services, including recreation and cultural activities.
- Licenses, Permits, and Fines** contribute 4% of GF revenue and are typically associated with regulatory and compliance-related activities.
- The remaining 1% of revenue comes from the **Miscellaneous** category, which includes various other sources such as fees and charges that do not fit into the other categories.

2023 General Fund Revenue

Revenue Source	\$ Amount	% of Total
Sales Tax	\$ 60,195,724	50%
Property Tax	12,861,828	11%
Building, Use and all other Tax	12,990,424	11%
Payment in Lieu of Taxes (PILT)	9,484,927	8%
Intergovernmental (Grants, Reimb., etc.)	8,258,347	7%
Charges for Services	5,474,070	5%
Licenses, Permits & Fines	5,077,741	4%
Investment Earnings	3,978,583	3%
Misc. - Other fees & charges, etc.	1,577,221	1%
TOTAL General Fund Revenue	\$ 119,898,865	100%



Did You Know?

Sales Tax is the largest source of revenue for the GF contributing of total GF revenue in 2023

→ **50%**

General Fund Expenses

The General Fund allocates resources across various expense categories to support essential community operations and services, ranging from personnel costs to capital investments.

- **Personnel Services**, including salaries, wages and benefits for City employees, makes up 53% of 2023 expenditures, reflecting the significant investment in human resources necessary to deliver public services.
- **Purchased Services** account for 38% of expenditures and include payments for external services, such as maintenance contracts, professional services, and other operational needs, and includes the City's \$18.1M contribution to the Loveland Fire Rescue Authority.
- **Capital Outlay** expenditures, at 7% of the total, involve the acquisition or maintenance of long-term physical assets like buildings, equipment, and infrastructure used to serve the Loveland community.
- Finally, **Supplies** make up 4% of expenditures, covering the costs of materials and supplies necessary for daily operations.
- **Transfers** are funds allocated to other departments, funds, or agencies supporting specific projects, programs, or obligations and are reported separately from the above categories in the ACFR.

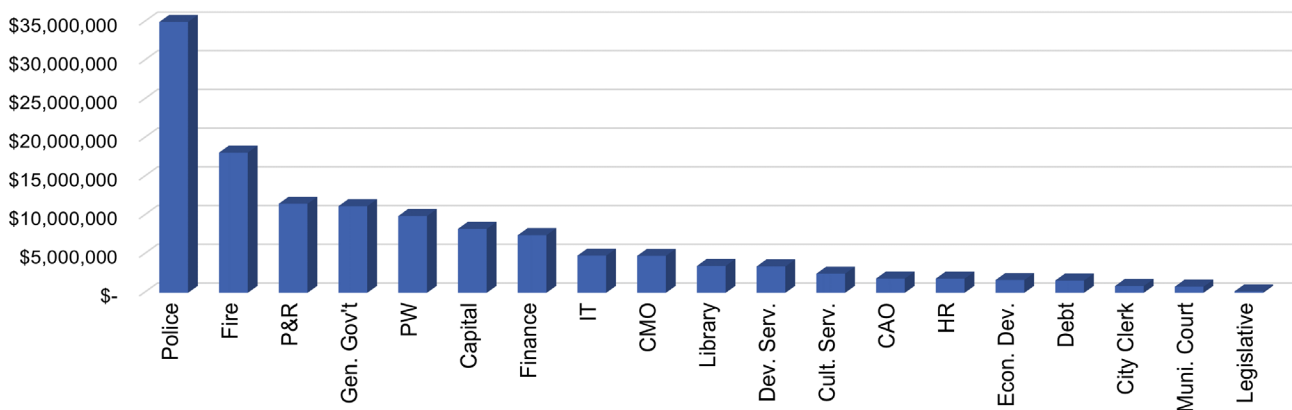
2023 General Fund Expenses

Expense Category	\$ Amount	% of Total
Personnel Services	\$ 59,348,283	53%
Purchased Services	39,618,826	36%
Capital Outlay	8,266,298	7%
Supplies	3,946,534	4%
TOTAL Exp before Transfers	\$ 111,179,941	100%
Transfers	14,873,821	
TOTAL Exp with Transfers	\$ 126,053,762	



2023 General Fund Expenses by Department

Expenditure Area	\$ Amount	% of Total	Expenditure Area (cont.)	\$ Amount	% of Total
Police	\$ 35,059,768	32%	Cultural Services	\$ 2,476,281	2%
Parks & Recreation	11,514,472	10%	City Attorney	1,846,549	2%
General Government	11,203,449	10%	Human Resources	1,837,989	2%
Public Works	9,924,304	9%	Principal & Debt Service	1,590,793	1%
Capital Outlay	8,266,298	7%	Economic Development	1,652,454	1%
Finance	7,451,592	7%	City Clerk	891,116	1%
Information Technology	4,812,105	4%	Municipal Court	797,575	1%
City Manager	4,782,776	4%	Legislative	187,949	0%
Library	3,472,520	3%	Fire	*	
Development Services	3,411,951	3%	TOTAL GF Expenditures	\$ 111,179,941	100%



* Loveland Fire Rescue Authority (Fire) is not classified as a department, however it does receive General Fund contributions (\$18,122,300 in 2023).

Other Revenues & Expenses

The following chart outlines the City's Enterprise Funds' revenues and expenses for 2023, illustrating the financial performance of key services such as Water, Wastewater, and Electric & Communications (Power & Pulse). The positive changes in net position shown in the enterprise funds highlight a strong financial foundation that enables these funds to accumulate savings for future capital projects. By maintaining a surplus in their net position, these funds can set aside resources for critical infrastructure improvements and expansions. This strategic financial management reduces the need for debt financing, allowing the enterprise funds to reinvest in essential community services, enhancing the long-term sustainability and resilience of these vital public utilities.

Statement of Revenues & Expenses - Enterprise Funds

	Water	Waste Water	Stormwater	Electric & Comm.	Solid Waste	Golf
Operating Revenues						
Charges for Services	\$ 20,696,922	\$ 17,656,882	\$ 11,298,384	\$ 89,185,234	\$ 10,787,470	\$ 6,164,175
Miscellaneous	1,749,298	44,604	62,763	698,682	76,164	2,435
Total Operating Revenues	22,446,220	17,701,486	11,361,147	89,883,916	10,863,634	6,166,610
Operating Expenses						
Personal Services	6,705,737	4,771,888	1,841,616	8,969,442	3,577,580	2,634,588
Supplies	1,639,405	754,551	64,446	836,650	531,871	616,772
Purchased Services	5,629,324	3,952,584	1,972,913	8,694,425	4,951,207	750,876
Purchased Power	-	-	-	50,842,084	-	-
Payment for Services	1,350,738	1,147,586	578,942	5,718,132	689,529	-
Depreciation	4,469,902	3,995,283	1,367,938	9,576,688	867,837	385,561
Total Operating Expenses	19,795,106	14,621,892	5,825,855	84,637,421	10,618,024	4,387,797
Non-Operating Revenues/(Expenses)						
Investment Gain/(Loss)	1,782,251	481,704	432,563	2,117,981	314,692	282,881
Bond Expenses	(2,075)	(826)	-	(13,700)	-	-
Interest and debt service costs	(1,436,967)	(756,788)	-	(3,520,670)	(18,218)	(7,520)
Sale of Capital Assets Gain/(Loss)	3,878	-	-	(29,400)	20,500	33,033
Total Non-Operating	347,087	(275,910)	432,563	(1,445,789)	316,974	308,394
Capital Contributions	10,119,310	3,774,829	5,258,456	14,351,448	-	-
Transfers In / (Out)	(146,806)	(41,450)	(49,466)	(169,045)	(19,344)	(6,467)
Change in Net Position	\$ 12,970,705	\$ 6,537,063	\$ 11,176,845	\$ 17,983,109	\$ 543,240	\$ 2,080,740

Did You Know?



Municipalities like the City of Loveland benefit significantly from federal, state, and other grants, which help support essential operations and fund capital projects. Over the past five years, Loveland received over **\$54.8 million in grant revenue**, including \$9.4 million from American Rescue Plan Act (ARPA) and \$4.18 million from Coronavirus Aid, Relief, and Economic Security (CARES) funding, which provided crucial support during the challenges of the COVID-19 pandemic. These grants enable cities to invest in infrastructure, improve public services, and respond to community needs without solely relying on local taxpayer dollars.

What We Own & What We Owe

What we Own - Capital Assets

At the end of 2023, the City had \$1.341B invested in capital assets including but not limited to police and fire equipment, buildings, park facilities, roads, water, wastewater, and power lines. Overall, land, water rights and other non-depreciable assets increased by 5% and buildings and equipment increased by 7%. The following make up the largest portion of the balance in Construction in Process at the end of 2023:

Major Additions in 2023 included the following:

Fire Station #10	\$7,811,858
2023 Street Rehabilitation	\$5,802,378
Glade Reservoir Bypass Pipe	\$2,386,885
Horseshoe Substation Switch	\$1,774,042

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

The following table summarizes capital assets net of depreciation for both governmental and Enterprise activities.

Capital Assets, Net of Accumulated Depreciation							
	Governmental Activities		Enterprise Activities		Total		% 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%
Art Collection	8,838,738	8,538,606	-	-	8,838,738	8,538,606	4%
Buildings	77,000,409	72,201,336	29,393,544	30,424,145	106,393,953	102,625,481	4%
Leased Buildings	4,777,647	268,739	1,048,647	1,313,355	5,826,294	1,582,094	368%
Improvements	42,067,656	42,539,557	120,632,677	121,677,800	162,700,333	164,217,357	-1%
Equipment	26,124,896	24,852,338	9,929,200	10,474,440	36,054,096	35,326,778	2%
Leased Equipment	149,924	184,848	-	-	149,924	184,848	-19%
Software	1,290,767	1,460,919	-	-	1,290,767	1,460,919	-12%
Water rights	2,968,488	2,747,520	78,391,190	78,021,050	81,359,678	80,768,570	1%
Infrastructure	249,709,363	235,847,508	371,277,615	331,708,433	620,986,978	567,555,941	9%
Easements	10,632,543	9,358,872	44,795,478	38,506,607	55,428,021	47,865,479	16%
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	6%

What we Owe - Debt & Liabilities

Long-term debts allow a city to invest in essential infrastructure, public services, and community development projects that might otherwise be unaffordable. By spreading the cost of large-scale improvements over time, these debts enable the City to enhance its facilities, maintain critical services, and support growth, ensuring a better quality of life for residents while managing financial resources responsibly. Below is information regarding the City's long-term liabilities as of the end of 2023.

Governmental:

The City's liabilities include employee leave payouts, loans for public projects, and environmental cleanup costs.

Enterprise:

Debts include bonds issued for upgrades to the City's electric, water, and wastewater systems. These bonds are repaid through revenue generated by users/rate payers.

Description	12/31/2023 Balances	Due in 2024
Governmental Activities	\$35.5M	\$6.1M
Certificates of Participation (COPs) - Foundry Garage	14.4M	405K
Construction Financing Agreement - Fire Station 10	10.5M	475K
Compensated Absences	6.9M	3.8M
Pollution Remediation	1.13M	1.13M
Business-Type Activities	\$173.2M	\$7.9M
Electric & Communication Bonds	83.8M	2.6M
Water Enterprise Bonds	49.7M	1.4M
Wastewater Bonds	17.9M	920K
Equipment Financing	484K	129K

Year in Review Summary

Financial Overview

- The City's assets and deferred outflows exceeded its liabilities and deferred inflows by \$1,470,679,362 at the end of 2023. This includes \$699,195,153 in Governmental Activities and \$771,484,209 in Business-type/Enterprise Activities. Of this, \$210,523,939 is unrestricted and available to meet ongoing obligations.
- The City's net position increased by \$89,032,485 from the previous year, with \$37,740,783 attributable to governmental activities and \$51,291,702 to business-type activities.
- The governmental activities reported a combined ending fund balance of \$161,381,837, an increase of \$10,864,824 from the previous year.
- The General Fund unassigned fund balance was \$55,616,388, representing 50% of total General Fund operating expenditures. This is an increase of \$5,580,259 from 2022.
- The City's outstanding debt at the end of 2023 was \$181,740,454, a decrease of \$4,112,942, primarily due to debt payments made in 2023.

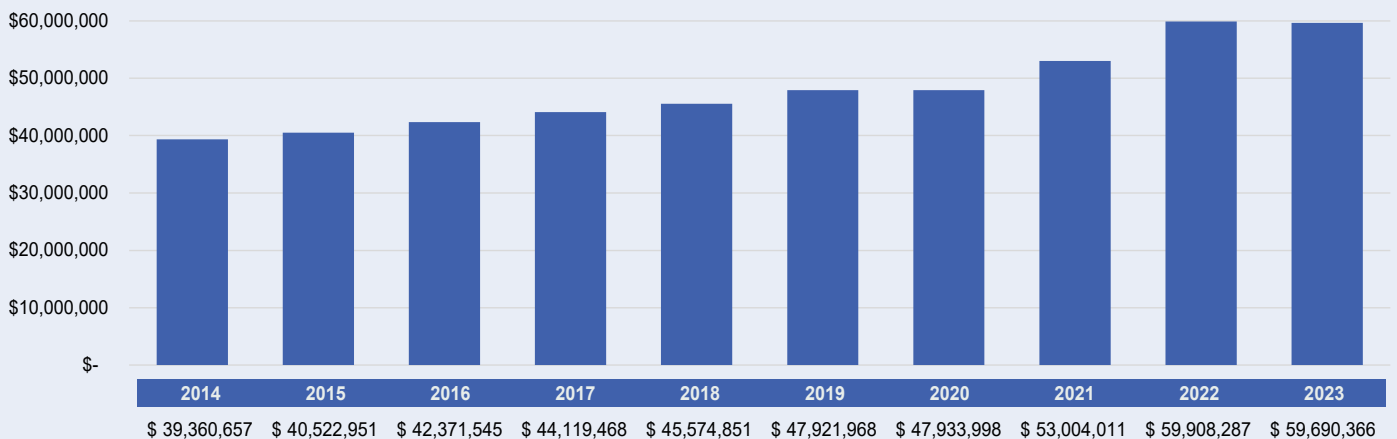
General Fund Activity

- The General Fund Balance decreased from \$63,163,203 at the end of 2022 to \$62,442,538 at the end of 2023, a reduction of \$720,665, in line with planned capital projects. FY2024 is expected to be challenging due to the loss of sales tax revenue from food for home consumption.
- General Fund operating revenue decreased from \$121,658,483 in 2022 to \$119,898,865 in 2023. The City is redefining service levels to align with changes in the revenue model and available resources.

Sales Tax Growth

- Sales tax revenue growth, which averaged 6.42% annually over the past five years, decreased in 2023. The sales tax rate has remained at 3% since 1984. Sales tax, which comprised approximately 50% of total General Fund revenues in 2023, experienced negative growth for the first time in a decade. This trend is expected to continue with the elimination of sales tax on food for home consumption starting January 2024.

General Fund Sales Tax (net of TIF)



Major Capital Projects Completed or Continued in 2023:

- **Municipal Fiber (Pulse):** This City-owned utility, branded as Pulse, provides affordable, reliable, and high-speed internet, Wi-Fi, voice, and TV services through a 100% fiber-optic network. Completed in 2023, Pulse is now accessible to all residents and businesses in Loveland, offering additional broadband service options. The project had a budget of \$86.7 million, with expenditures to date amounting to \$83.4 million.
- **Chimney Hollow Reservoir:** This project, in collaboration with 12 Northeastern Colorado water providers, aims to enhance the reliability of the 1985 Windy Gap Project. The new East Slope reservoir, Chimney Hollow, will offer a dependable supply of 90,000 acre-feet of water annually. Loveland's share is 10,000 acre-feet. Located west of Carter Lake in southern Larimer County, the project has a budget of \$83.3 million, with \$75.7 million spent so far. Financing and construction began in 2021, and all legal issues have been resolved.
- **Fire Station #10:** Serving the eastern response area of the Loveland Fire Rescue Authority, this new fire station addresses the needs of eastern Loveland. The total project cost was \$7.5 million.
- **Water Pump Station P2:** This station is being constructed to enhance water pressure in northwest Loveland. The project has a budget of \$7.3 million, with \$5.9 million spent to date.
- **Garfield and Harrison Outfall:** Aimed at reducing flooding in the area, this project involves the installation of an underground storm drainage system. The budget for this project is \$4.5 million, with \$3.4 million spent so far.

Did You Know?

Each year, the City of Loveland contracts with an independent auditing firm to review and analyze the City's financial processes and statements. The Independent Auditor's Report for the City of Loveland, Colorado, for the year ended December 31, 2023, presents an unmodified opinion of the City's financial statements indicating that they are free from material misstatements, whether due to error or fraud, and that the company's financial records are accurate, complete, and in compliance with accounting standards. This auditor's report signals to the public that the City's financial statements can be trusted. The audit was conducted in accordance with generally accepted auditing standards (GAAS) and Government Auditing Standards, ensuring that the statements are free from material misstatements, whether due to fraud or error. The auditor emphasized that the procedures applied during the audit provided a sufficient basis for their opinions.

The auditor also reviewed supplementary information, such as the Local Highway Finance Report and the schedule of expenditures of federal awards, and found them to be consistent with the City's basic financial statements and fairly stated in all material respects. Additionally, the report addressed the auditor's responsibilities in assessing the City's internal controls over financial reporting and compliance with laws and regulations. Overall, the report confirms the accuracy and reliability of the City of Loveland's financial statements while adhering to established auditing standards.

To read the Independent Auditor's Report contained within the 2023 ACFR click [HERE](#).

Learn More

Dig into the Details

The City of Loveland is dedicated to maintaining a fiscally responsible budget, prudent use of taxpayer funds, and financial transparency to our community.

To enhance these efforts, the City launched the OpenGov Financial Transparency Portal. This portal is designed to provide citizens and stakeholders with clear visibility into our financial operations, promoting openness and accountability. Through this site, you can view, filter, and analyze the City's revenue, expenses, and balance sheet data.

Check it out at:
<https://lovelandco.opengov.com>

Share your Voice

The City of Loveland has created the "Let's Talk Loveland" platform as an online community engagement tool to facilitate communication and collaboration between the City and its residents. Let's Talk Loveland provides timely news and updates and allows community members to provide input, share ideas, and participate in discussions about various City projects, policies, and initiatives. It is designed to increase transparency and encourage public involvement in local decision-making processes, helping to ensure that the community's voice is heard and considered in the City's planning and operations.

Learn more at:
www.letstalkloveland.org

City of Loveland - Helpful Links

Finance Department Webpage
www.lovgov.org/services/finance

Financial Transparency Portal
www.lovelandco.opengov.com/

Let's Talk Loveland - Budget Watch
www.letstalkloveland.org/budget

Annual Comprehensive Financial Reports (ACFR) - [Link](#)

Monthly Financial Reports - [Link](#)

Fiscal Contingency Plan - [Link](#)

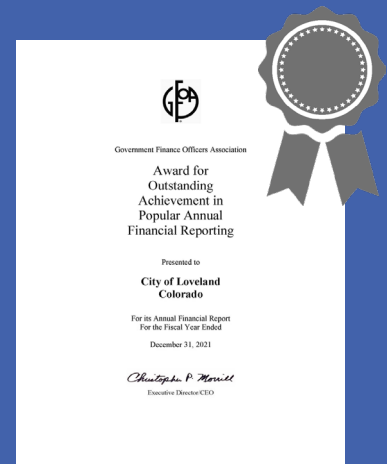
Fund Balance/Reserve Policy - [Link](#)

2024 City Budget- [Link](#)

Did You Know?

The Government Finance Officers Association of the United States and Canada (GFOA) awarded The City of Loveland the Award for Outstanding Achievement in Popular Annual Financial Reporting for its Popular Annual Financial Report (PAFR) for the Fiscal Year ended December 31st, 2022. The City of Loveland has received this national award for the last 9 consecutive years. The award recognizes conformance with the highest standards for preparation of state and local government popular reports. In order to receive the award, a governmental unit must publish a PAFR whose contents conform to program standards of creativity, presentation, understandability, and reader appeal. The report must satisfy both generally accepted accounting principles and applicable legal requirements. The financial data in the PAFR derive from the more detailed ACFR.

In addition to receiving the Award for Outstanding Achievement for its PAFR, The City of Loveland's ACFR for the Fiscal Year ended December 31st, 2022, was awarded the Certificate of Achievement for Excellence in Financial Reporting by the GFOA for 43 consecutive years. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized ACFR whose contents conform to program standards.



2023 Acknowledgements

Considerable effort was invested by the City of Loveland's Accounting staff, alongside many others in the Finance Department and throughout the City, in preparing the Annual Comprehensive Financial Report (ACFR), from which this Citizens' Financial Report was derived. Special thanks are extended to City leadership and the Citizens' Finance Advisory Commission for their continued support.

City of Loveland Executive Management

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Special Thanks To:

Loveland City Council

Jacki Marsh - Mayor
Jon Mallo - Mayor Pro Tem
Erin Black
Laura Light-Kovacs
Patrick McFall
Andrea Samson
Dana Foley
Troy Krenning
Steve Olson

Citizens' Finance Advisory Commission

Vi Wickam - Chair
Pat Santos - Vice Chair
Mark Haenny
Dean Millard
John Warner
Timothy Yaussi
Steve Olson - Council Liaison
Katie Janda
Candace Toyama
Roger Weidelman



Transparency
is the
currency
of trust in
government.

- Benjamin Franklin



Thank you for taking the time to learn about the City of Loveland's financial position.

If you have comments or suggestions on how we can improve our Citizens' Annual Financial Report, please contact the Finance Department by email at Finance@cityofloveland.org or by phone at 970.962.2655



City of Loveland