2020 Comprehensive Annual Financial Report

December 31, 2020



City of Loveland, Colorado

City of Loveland

City of Loveland, Colorado

Comprehensive Annual Financial Report

For the fiscal year ended
December 31, 2020

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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
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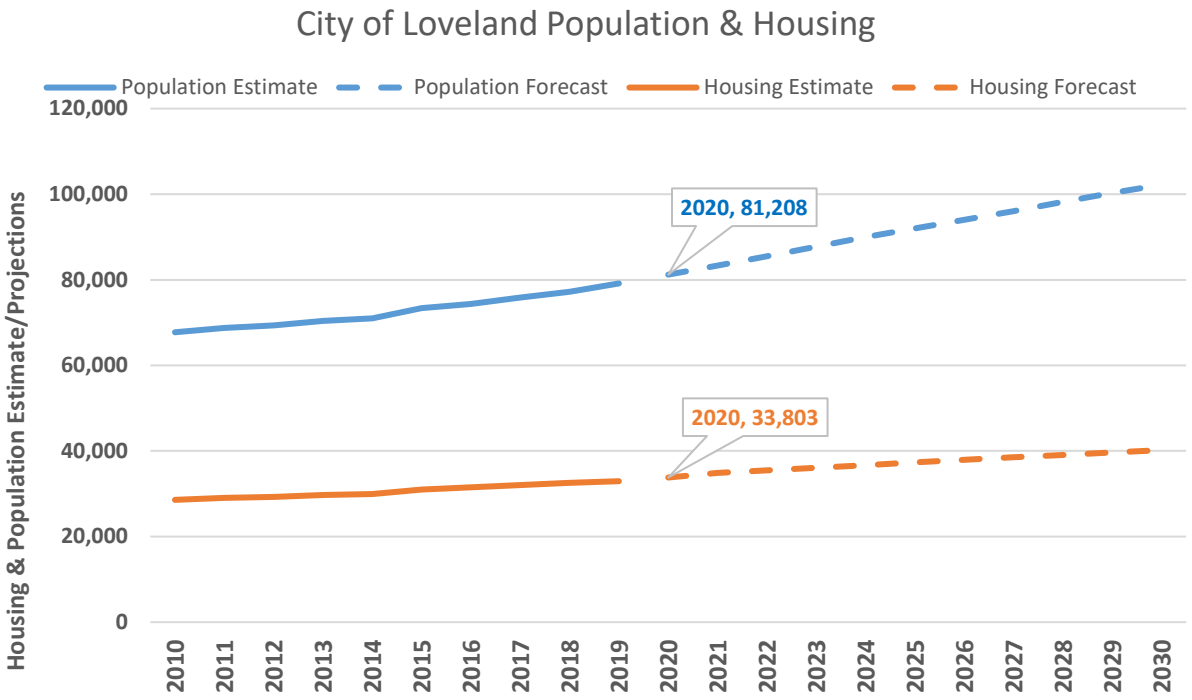
May 19, 2021

Honorable Mayor, Members of the City Council, Residents and Customers of the City of Loveland, Colorado:

We are pleased to present the Comprehensive Annual Financial Report for the year ended December 31, 2020. State law requires that every general-purpose local government publish a complete set of audited financial statements within six months of the fiscal year end (fiscal year is the calendar year by Charter). The City's Charter requires an annual audit performed by a certified 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, 2020. 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.



Source: City of Loveland Community & Strategic Planning Division - Development Services Department Annual Data and Assumptions Report December 2020

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 35.63 square miles and an estimated current population of 81,208 representing approximately 33,803 households.

The City operates as a home rule city and as a council-manager form of government under the provisions of a City Charter and local ordinances. Council is comprised of nine members. The City is divided into four wards. Eligible voters in each ward elects two council members that serve staggered four-year terms. The Mayor is elected at-large and 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 and solid waste/recycling services. Services also include water, wastewater, golf courses, stormwater, police, library, culture (museum, theater, Art in Public Places), parks and recreation, cemetery, maintenance and construction related to transportation, transit (COLT), development services, and a variety of support services. In early 2019, Council approved issuance of $85,015,000 of tax-exempt and taxable bonds to support the new municipal fiber enterprise known as PULSE. 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 Airport operation which includes federal grant requirement compliance and passenger facility charge reporting. Beginning in 2021 the City will jointly operate and maintain the Northern Colorado Law Enforcement Training Center with the City of Fort Collins,

Colorado. All governing and reporting relationships are disclosed in the footnotes to the financial statements.

The Charter requires the budget to be submitted to City Council by the first Tuesday of October each year, unless City Council sets a different date. The Charter also requires the inclusion of anticipated capital improvements for the budget year plus an additional four years. The City management presents a longer 10-year capital improvement plan. The Budget must provide a complete financial plan for the City in a format acceptable to City Council. The City of Loveland prepares its budget on a calendar year basis as required by the City Charter. The budget must be balanced or show a revenue surplus. Budget adoption for the fiscal year requires a public hearing and two readings of applicable budget ordinances, followed by a majority "yes" vote by the full City Council. Any supplemental appropriations for the fiscal year 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 Council.

Local Economy

Major employers in the City include the school district, several technology companies, a discount store distribution 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 forecasted to grow faster than most other parts of the state and Colorado continues to be among the fastest growing states for the last five years.

According to the Colorado Department of Labor and Employment data, the local unemployment rate at the end of December 2020 was 8.6%, for the Fort Collins-Loveland metropolitan statistical area.

The continuation of the economic recovery depends heavily on job growth and increasing wage levels. The City suspects that there may still be many people who are under-employed, meaning they are overqualified for the jobs they currently hold. Anecdotally, many people stay in the area even after their employment status changes due to the extraordinary quality of life and natural resources in the area. 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 investment in infrastructure.

Recovery from the flood event of September 2013 continued into 2020. Total recovery expenditures as of December 31, 2020 were $40,953,858. Reimbursements received from Federal Emergency Management Agency, the State of Colorado Division of Homeland Security and Emergency Management, the City's insurer, the Federal Highway Administration, and other disaster relief granting entities total $30,592,902 to date. The City will continue to receive reimbursements on recovery expenditures, however, 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. There has been a slowdown of final activity on the flood recovery and all the claims will likely be finalized in 2021. It is expected that the City of Loveland will recover an estimated additional $2 million for reimbursements.

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 goal 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 City of Loveland's Strategic Plan was adopted on March 3, 2020, with the Plan's guiding principles based on the City's Vision, Mission and Values and eight focus areas: Public Safety, Economic Vitality, Infrastructure & Transportation, Livability, Innovation & Organizational Excellence, Fiscal Stability & Strength, Sustainability, and Outreach/Collaboration and Engagement. The first steps to integrate the Budget Process and the Strategic plan began mid-year 2020 with the linkage of the Strategic Focus Areas to the Capital Projects, budget reductions and budget decision packages. This process will be on-going with the ultimate goal of budget decision-making being driven by the Strategic Plan.

After a record long national economic expansion, the COVID-19 pandemic greatly restricted growth and a recession ensued. The City took immediate steps to control costs while maintaining essential services. Some temporary and season positions were eliminated. The City also used unpaid furlough days for a broad group of tax supported positions to create budget savings. The pandemic has been a major disruption to business services and labor markets. Some economists estimate that more than 10 million people were unemployed and due to the presence of the virus, many people are reluctant to return to work. Northern Colorado, and Loveland in particular, have been able to weather the pandemic better than many other areas in Colorado and across the country.

The 2021, 10-year Financial Master Plan shows reason for cautious planning. Conservative Budget projections for the General Fund's Unassigned Fund Balances appear to be insufficient to maintain the status quo of operations and maintenance, and the funding of the complete 10-year Capital Plan. The Financial Master Plan revenue projections for future years are purposely developed in a conservative manner, which sets the parameters for resources available to deliver services. The basic revenue assumptions in the Financial Master Plan are for continued growth in sales tax, property tax and use tax collections over the near term. However, there will be revisions to these projections as the economic implications from the COVID-19 pandemic become clearer. The City has contingencies, plans, and reserves in place for emergency situations such as these and will adjust accordingly to ensure financial stability.

Major Initiatives

The construction of PULSE, the City of Loveland's Municipal Fiber Network, was one the most significant projects in 2020. In addition to the construction of this service, the City also neared completion on the Northern Colorado Regional Police Training Facility with a total budget of $18.3 million in a 50/50 partnership with the City of Fort Collins.

Three major capital projects were completed in 2020: Fire Station #7, in the amount of $3.9 million; Street Rehabilitation in the amount of $3.6 million; and Loveland Sports Park Phase II in the amount of $3.5 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 for its Comprehensive Annual Financial Report for the year ended December 31, 2019. This was the **fortieth** 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 Comprehensive Annual 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 Comprehensive Annual 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 for its Popular Annual Financial Report (PAFR) for the year ended December 31, 2019. This was the sixth 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 2020. It is the **thirty-seventh** consecutive year that the City has 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 a Comprehensive Annual 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 Joyce Robinson 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 2020 Comprehensive Annual Financial Report.

Respectfully Submitted,

Stephen C. Adams
City Manager

Alan Krcmarik
Chief Financial Officer

CITIZENS OF LOVELAND

City of Loveland

CITY COUNCIL


Mayor
Jacki Marsh


Ward I
Richard Ball


Ward I
Rob Molloy


Ward II
Andrea Samson


Ward II
Kathi Wright


Ward III
John Fogle


Ward III
Steve Olson


Ward IV
Dave Clark


Ward IV - Mayor Pro Tem
Don Overcash

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

Deputy City Manager

City Clerk

Economic Development

Finance

Human Resources

Police

Water & Power

Assistant to the City Manager

Cultural Services

Development Services

Information Technology

Library

Parks & Recreation

Public Works

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 Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

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.

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying 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, 2020 and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the 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, 2020 and the respective changes in its financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the other required supplemental information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, 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 supplemental 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund statements and schedules, Local Highway Finance Report, and introductory and statistical sections are presented for the purpose of additional analysis and are not a required part of the basic financial statement. The 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*, is also presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules, Local Highway Finance Report, and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 combining and individual fund statements and schedules, 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.

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

The introductory section and statistical section, as identified in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also issued a report dated May 19, 2021 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'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.



May 19, 2021

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, 2020. 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 Great Recession of 2008-09, 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. In addition, the City has made strategic investments along 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. This policy was adopted in February 2019.

FINANCIAL HIGHLIGHTS

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows at the close of 2020 by $1,225,673,112 (net position). This amount is comprised of $573,610,071 in Governmental Activities and $652,063,041 in Business-type Activities. Of the net position amount, $148,939,805 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 $72,553,108 from the prior year, of which $36,921,921 is attributable to governmental activities and $35,631,187 to business-type activities.
- At the close of 2020, the City's governmental activities reported a combined ending fund balance of $97,190,733, which is an increase of $4,462,563 from prior year; $25,777,848 of the balance is unassigned.
- At the close of 2020, the General Fund unassigned fund balance was $27,750,485 or 35% of total General Fund operating expenditures. This is $8,482,240 higher than at the close of 2019.
- The City's outstanding debt of $140,551,288 at the end of 2020 decreased by $2,465,985. This decrease is primarily the result of bond principal payments.

MAJOR INITIATIVES AND IMPACTS

The City's fiscal position is currently challenging for two main reasons – a diminishing General Fund Balance due to significant planned capital and operating expenditures and a softening sales tax revenue stream since 2015.

The City's General Fund Balance was $32,349,414 at the close of 2018, $28,059,492 at the close of 2019, and $33,480,759 at the close of 2020. This is a total increase of only $1,131,345 over the past three years.

The first quarter of Fiscal Year 2020 started off strong both on the sales and use tax fronts but, because of shortfalls in the prior years, 2021 was planned to be a RECESSION reduction cycle year. The COVID-19 pandemic had immediate financial consequences on the City beginning in March of 2020. Analysis of the National and Regional Economic trends projected a $10 million General Fund budget shortfall. Finance staff and the Citizens' Finance Advisory Commission responded right away with proposed cuts to the General Fund's expenditure budget of $8 million and the use of the Fiscal Contingency Reserve. This was intended to set the City up for future success in balancing the 2021 budget. The local and regional economies have proven more resourceful and resilient through the year, and with the availability of more data points, we have revised the revenue impact down to $1.9 million. The mid-year internal reductions of 10% and no increases in FTE within the General Fund, were helpful in pursuing less severe 2021 reductions. These reductions included most City personnel, with the exception of Proprietary and Public Safety Departments, taking a mandatory 6 (six) furlough days equating to a 2.3% reduction in pay. Some departments took additional furlough days in order to meet their 10% reduction targets. These

measures were exacerbated by COVID-19 safety preparations to work spaces, remote work set-up by IT, curtailed travel for conferences, and less staff with more workload.

2020 saw the completion and/or continuation of five major capital projects:

1. Municipal Fiber: Branded as Pulse, Municipal Fiber is a City utility connecting the Loveland community by offering affordable, reliable and fast internet and voice service through a 100% fiber-optic network. Pulse will be available to all residents and businesses within the City of Loveland over the next three to four years with construction that began in late 2019. Service connections will happen as areas are built out and service becomes available. Budget - $75.9 million; 2020 cost-to-date- $23.8 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 30,000 acre-feet of water each year for future generations. The reservoir will be immediately west of the existing Carter Lake in southern Larimer County. Budget - $63.8 million; 2020 cost-to-date- $7.0 million. The City's share of the project financing for this project was included in the 2020 budget but the actual financing and construction of the project was delayed to 2021. All legal issues impacting the construction of the reservoir have been resolved.

3. Water Reclamation Facility (WRF): Previously referred to as the Wastewater Treatment Plant (WWTP), this project began in 2016 to implement regulatory changes, meet capacity needs, and replace aging infrastructure. The project includes a complete renovation of the existing anaerobic digester complex. Budget - $41 million; 2020 cost-to-date $40.3 million. This project is anticipated to be complete in 2021.

4. Police Training Campus: Northern Colorado Law Enforcement Training Center (NCLETC) is a partnership between the City of Loveland Police Department and Fort Collins Police Services. This project was completed in 2021 and includes 1.4-mile high-speed driving track, a large skills pad, an indoor 50-yard firing range, two classrooms, and administrative space. This facility will be a regional asset utilized by many law enforcement agencies in Northern Colorado. It is located along Boyd Lake Avenue on the west side of the Northern Colorado Regional Airport Property. Costs for the project are split 50/50 with the City of Fort Collins. Budget - $18.3 million; 2020 cost-to-date- $16.9 million.

5. Loveland Sports Park Phase II: The expansion of this park included a mixed use building, corporate shelter, increased parking to over 800 spaces and enough natural grass area for four full-size soccer fields. This was completed for a total cost of $3.5 million.

6. Fire Station #7: Fire Station #7 is located on the west side of Loveland at County Road 27 and Highway 34. This station supports West Loveland and the Loveland Rural Fire Protection District. This project was completed for a total cost of $3.9 million.

Impacts of 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 Authority (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, 2020, the City incurred recovery expenses of $40.9

million and received total reimbursements of $30.6 million. The City is still expecting to receive $2.0 million from closeouts on FEMA projects over the next several years. Money received to date is broken out as follows:

FEMA	$	18,004,729
Insurance	$	7,304,825
Other	$	5,283,348

Softening Growth in Sales Tax:

The City has been experiencing a softening sales tax revenue stream in recent years. Prior to 2020, the last four (4) years averaged 4.3% growth annually. The City has also not increased the 3.0% sales tax since 1984. Since sales tax is the single largest General Fund revenue stream, this trend is being closely monitored. In 2020, sales tax comprised 43.9% of total General Fund revenues and did not grow over the previous year. However, as the financial impacts of the COVID-19 Pandemic become clearer we are anticipating sales tax revenue will grow in 2021.

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
2010	64,193,517	30,462,193	47.5%	0.0%
2011	67,747,675	32,248,567	47.6%	5.9%
2012	72,950,372	34,539,752	47.3%	7.1%
2013	74,955,393	36,872,201	49.2%	6.8%
2014	84,876,612	39,360,657	46.4%	6.7%
2015	87,541,579	40,522,952	46.3%	3.0%
2016	89,876,681	42,371,545	47.1%	4.6%
2017	96,294,031	44,119,468	45.8%	4.1%
2018	103,514,108	45,574,851	44.0%	3.3%
2019	96,837,778	47,921,967	49.5%	5.2%
2020	103,194,127	47,933,998	46.5%	0.0%

*This table is based on the budgetary sales tax numbers

OVERVIEW OF THE 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 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 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 about 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 used by most private-sector businesses. All of 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. The City's net position—the difference between assets and liabilities—is one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position is one indicator of whether its financial health is improving or declining. There are other non-financial factors, however, that affect 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, storm water, 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 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 may serve over time as a useful indicator of a government's financial position. In the City of Loveland's case, assets exceeded liabilities by $1,225,673,112 as of December 31, 2020.

Net Position

Combined net position of the City of Loveland at December 31, 2020 were as follows:

CITY OF LOVELAND, COLORADO
STATEMENT OF NET POSITION

	Governmental Activities		Business-Type Activities		Total		Total % of Change
	2020	2019	2020	2019	2020	2019	
Current and other assets	$ 186,805,681	$ 182,929,028	$ 201,147,045	$ 217,235,760	$ 387,952,726	$ 400,164,788	(3.1)%
Capital assets	463,834,206	429,670,129	604,098,506	551,968,267	1,067,932,712	981,638,396	8.8%
Total Assets	**650,639,887**	**612,599,157**	**805,245,551**	**769,204,027**	**1,455,885,438**	**1,381,803,184**	**5.4%**
Deferred Outflow of Resources	101,700	104,453	277,671	295,586	379,371	400,039	(5.2)%
Total Assets and Deferred Outflows of Resources	**650,741,587**	**612,703,610**	**805,523,222**	**769,499,613**	**1,456,264,809**	**1,382,203,223**	**5.4%**
Long-term liabilities	24,594,652	28,468,377	128,274,906	130,357,681	152,869,558	158,826,058	(3.8)%
Other liabilities	21,574,420	18,088,561	24,829,913	22,452,149	46,404,333	40,540,710	14.5%
Total Liabilities	46,169,072	46,556,938	153,104,819	152,809,830	199,273,891	199,366,768	0.0%
Deferred Inflows of Resources	30,962,444	29,458,522	355,362	257,929	31,317,806	29,716,451	5.4%
Total Liabilities and Deferred Inflows of Resources	**77,131,516**	**76,015,460**	**153,460,181**	**153,067,759**	**230,591,697**	**229,083,219**	**0.7%**
Net Position:							
Net investment in capital assets	442,641,192	407,352,447	540,618,535	512,801,745	983,259,727	920,154,192	6.9%
Restricted-Nonspendable	3,482,654	3,696,447	-	-	3,482,654	3,696,447	(5.8)%
Restricted	34,389,349	31,704,746	55,601,577	49,882,904	89,990,926	81,587,650	10.3%
Unrestricted	93,096,876	93,934,510	55,842,929	53,747,205	148,939,805	147,681,715	0.9%
Total Net Position	**$ 573,610,071**	**$ 536,688,150**	**$ 652,063,041**	**$ 616,431,854**	**$ 1,225,673,112**	**$ 1,153,120,004**	**6.3%**

As of December 31, 2020, 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 $387,952,726 current and other assets include $307,824,331 in general and restricted cash and investments. The restricted balance of cash and investments is $131,276,868 for acquisition or construction of future capital assets or the payment of debt.

The largest portion of the City's total net position (87%) 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 debt reported in the Governmental Activities at the end of 2020 includes Certificates of Participation of $15,540,000, compensated absences of $5,752,556, oversizing agreements of $1,180,149, an IGA for apparatus purchase of $811,811, pollution remediation of $520,000, and a long-term capital lease with a balance of $3,661,054. In Business-Type Activities, Municipal Fiber bonds of $85,015,000 excluding the premium, issued in 2019 make up the majority of the outstanding debt balance. The remaining debt in Business-Type activities is made up of compensated absences of $1,670,342, oversizing agreements of $118,274, ARO liability for Hydro, $1,732,022, ARO liability for Solar, $313,500 and water and wastewater bonds of $10,680,000 and $23,545,000 respectively.

Changes in Net Position

Revenues and transfers in 2020 of $338,002,803 exceeded program expenses of $265,449,695 for an increase in net position of $72,553,108. This increase includes $24,392,946 from contributed assets and revenue restricted for capital spending. The remaining $48,160,162 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

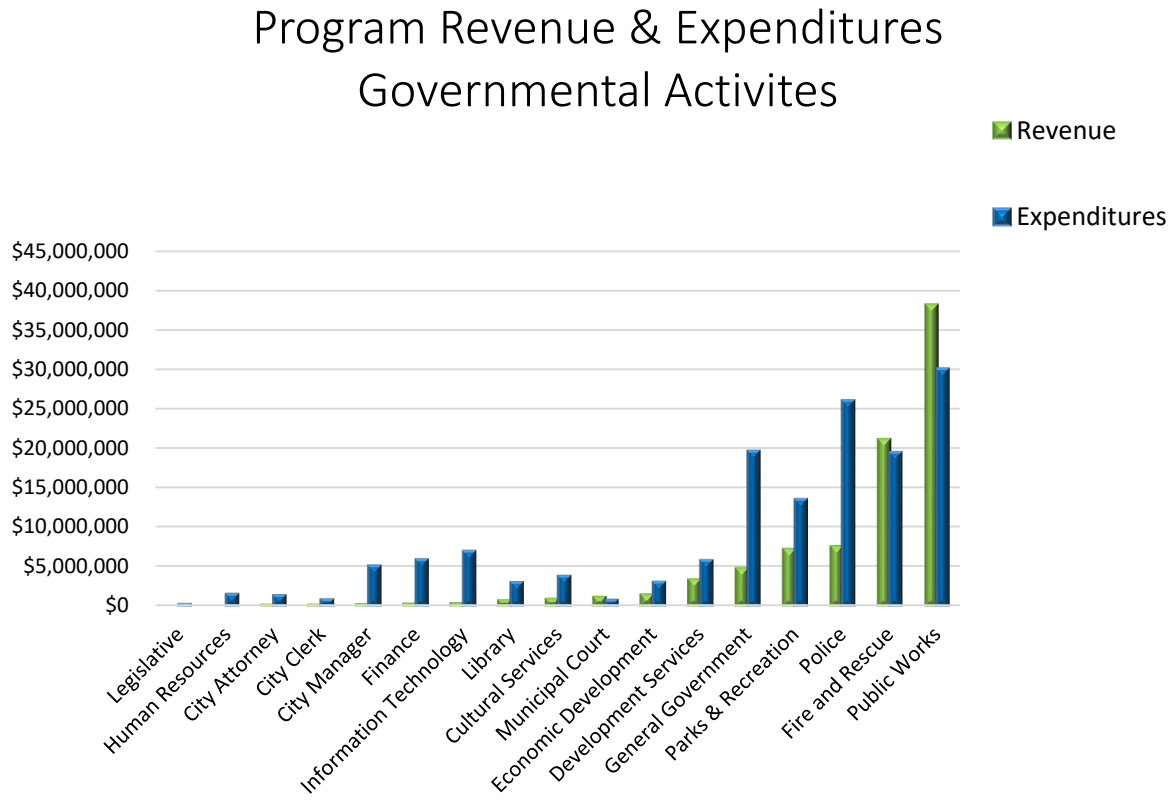
	Governmental Activities		Business-Type Activities		Total		% Change
	2020	2019	2020	2019	2020	2019	
Program Revenue							
Charges for service	$ 45,806,921	$ 35,468,242	$ 129,191,182	$ 121,378,778	$ 174,998,103	$ 156,847,020	11.6%
Operating grants/contributions	23,365,634	23,138,462	319,345	352,474	23,684,979	23,490,936	0.8%
Capital grants/contributions	17,076,354	4,214,800	24,821,451	25,349,844	41,897,805	29,564,644	41.7%
General Revenues:							
Property Taxes	29,121,824	26,678,420	-	-	29,121,824	26,678,420	9.2%
Sales and Use Taxes	59,647,002	59,077,014	-	-	59,647,002	59,077,014	1.0%
Franchise and Other Taxes	3,416,157	4,008,274	-	-	3,416,157	4,008,274	(14.8)%
Investment Earnings	1,343,775	3,193,518	3,431,421	5,273,004	4,775,196	8,466,522	(43.6)%
Other	221,161	153,803	240,576	(1,652,421)	461,737	(1,498,618)	(130.8)%
Total Revenues	**179,998,828**	**155,932,533**	**158,003,975**	**150,701,679**	**338,002,803**	**306,634,212**	**10.2%**
Program Expenses:							
City Manager*	5,027,941	2,803,807	-	-	5,027,941	2,803,807	79.3%
Legislative	142,847	144,975	-	-	142,847	144,975	(1.5)%
City Attorney*	1,282,582	1,348,382	-	-	1,282,582	1,348,382	(4.9)%
City Clerk*	737,749	649,474	-	-	737,749	649,474	13.6%
Municipal Court*	680,160	578,987	-	-	680,160	578,987	17.5%
Finance	5,822,026	5,388,175	-	-	5,822,026	5,388,175	8.1%
Human Resources	1,432,526	1,638,690	-	-	1,432,526	1,638,690	(12.6)%
Information Technology	6,892,385	6,401,536	-	-	6,892,385	6,401,536	7.7%
Economic Development	2,914,656	2,597,640	-	-	2,914,656	2,597,640	12.2%
Development Services	5,701,230	3,981,403	-	-	5,701,230	3,981,403	43.2%
Public Works	30,043,177	27,180,708	-	-	30,043,177	27,180,708	10.5%
Police	25,999,756	25,312,191	-	-	25,999,756	25,312,191	2.7%
Fire & Rescue	19,287,233	18,193,823	-	-	19,287,233	18,193,823	6.0%
Parks & Recreation	13,456,687	12,040,970	-	-	13,456,687	12,040,970	11.8%
Library	2,920,546	3,385,385	-	-	2,920,546	3,385,385	(13.7)%
Cultural Services	3,731,823	2,089,675	-	-	3,731,823	2,089,675	78.6%
General Government	19,008,838	16,784,988	-	-	19,008,838	16,784,988	13.2%
Interest on long term debt	781,283	-	-	-	781,283	-	-%
Water	-	-	17,668,199	15,666,095	17,668,199	15,666,095	12.8%
Wastewater	-	-	13,747,570	13,085,842	13,747,570	13,085,842	5.1%
Stormwater	-	-	5,689,635	5,055,877	5,689,635	5,055,877	12.5%
Electric & Communications	-	-	71,180,474	68,751,131	71,180,474	68,751,131	3.5%
Solid Waste	-	-	7,774,032	7,743,425	7,774,032	7,743,425	0.4%
Golf	-	-	3,526,340	3,557,875	3,526,340	3,557,875	(0.9)%
Total Expenses	**145,863,445**	**130,520,809**	**119,586,250**	**113,860,245**	**265,449,695**	**244,381,054**	**8.6%**
Increase in net position before transfers	34,135,383	25,411,724	38,417,725	36,841,434	72,553,108	62,253,158	16.5%
Transfers	2,786,538	2,614,064	(2,786,538)	(2,614,064)	-	-	-%
Increase in net position	36,921,921	28,025,788	35,631,187	34,227,370	72,553,108	62,253,158	16.5%
Net Position - Beginning	**536,688,150**	**508,662,362**	**616,431,854**	**584,704,484**	**1,153,120,004**	**1,093,366,846**	**5.5%**
Restatement	**$ -**	**$ -**	**$ -**	**$ (2,500,000)**	**$ -**	**$ (2,500,000)**	
Net Position - Ending	**$ 573,610,071**	**$ 536,688,150**	**$ 652,063,041**	**$ 616,431,854**	**$ 1,225,673,112**	**$ 1,153,120,004**	**6.3%**

*These programs were reported as Executive in 2019 and have been broken out for comparison to 2020.

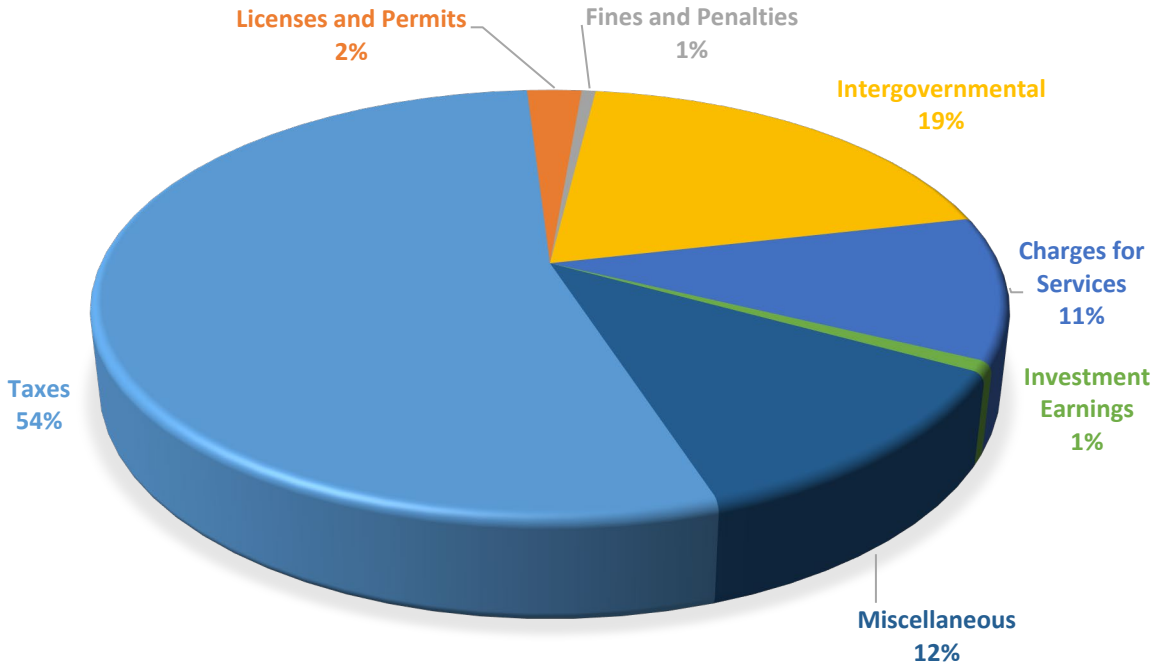
Governmental Activities

Governmental Activities increased the City's net position by $36,921,921. Earnings on investments decreased in 2020 by 58% from $3,193,518 in 2019 to $1,343,775 in 2020. This decrease is due to the sale of certain investments as part of a managed portfolio, market interest rates, and accounting adjustments for the unrealized gains. Property tax revenue also increased in 2020 by $2,443,404.

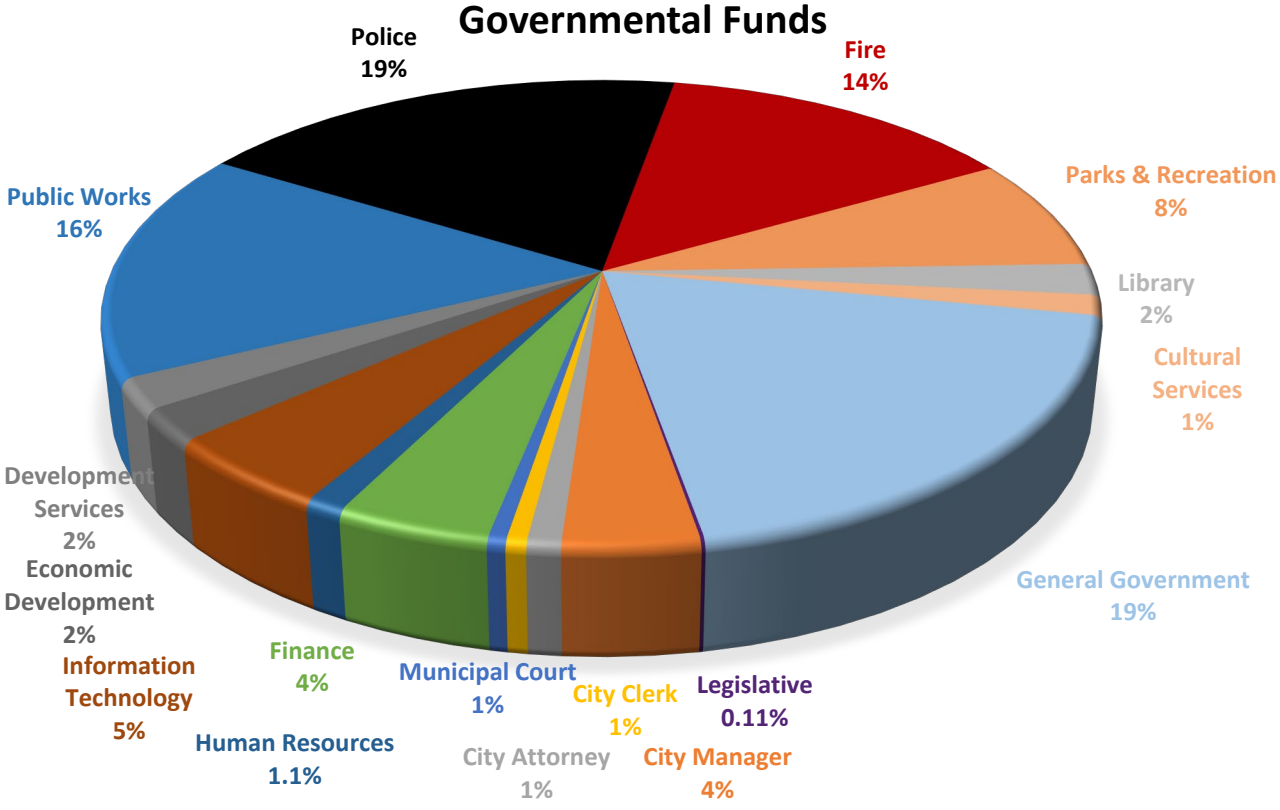
The following graph compares program revenues and expenditures of Governmental Activities in 2020, illustrating the majority of expenditures are related to public services and safety.



Revenue by Source
Governmental Funds



Expenditure by Source
Governmental Funds



Business-Type Activities

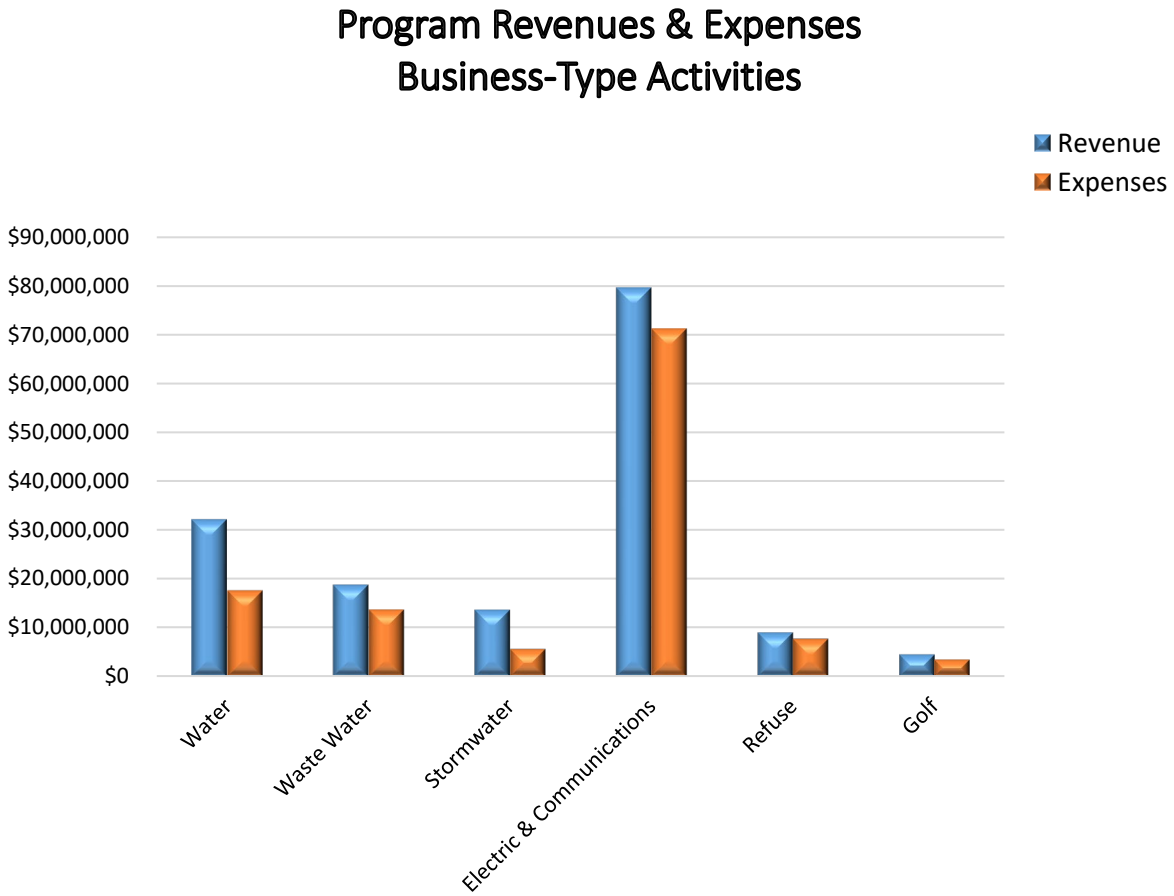
Business-Type Activities include the city-owned utilities: Water, Electric & Communications, Wastewater, Stormwater, Solid Waste collection, recycling services, and three municipal golf courses. All of these activities charge user fees designed to fully cover operating expenses. In addition, system impact 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 2020, net position for the Business-Type Activities increased by $35,631,187. Earnings on investments decreased from $5,273,004 in 2019 to $3,431,421 in 2020 in the Statement of Revenues, Expenses and Changes in Net Position. This decrease is due to the sale of certain investments as part of a managed portfolio, market interest rates, and accounting adjustments for the unrealized gains

While expenses increased from the prior year in Water, Stormwater, Electric & Communications, and Solid Waste, the City experienced a decrease in expenses in the Wastewater utility and Golf 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 $4,462,563, and the City ended the year with a combined fund balance of $97,190,733.

The City's Governmental Funds collected less revenue than the constitutional limits (TABOR) by $(7,089,408) in 2020. 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 $3,482,654.
- Restricted balance of $31,805,742 includes $827,466 reserve for excess TABOR, $2,878,245 reserve for emergencies; $7,406,621 for Fire and Rescue; $11,106,915 for Open Space Acquisitions; $5,838,798 for Parks & Recreation; as well as funds for Urban Revitalization, Convention & Tourism, and Law Enforcement.
- Committed balances include $29,424,678 for future capital improvements; Art in Public Places; public education; affordable housing and downtown maintenance.
- Assigned balances of $1,456,914 are for items such as Parks Improvements, Fiber Network, as well as other governmental capital improvements.
- Unassigned General Fund is $27,750,485, 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 is aware that the COVID-19 Pandemic will require use of the City general fund reserves to adequately respond to the needs of the community.

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 $5,638,486. 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 $3,335,634; the current fund balance is $14,280,158.

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 $91,768,812 increased by 4% for the year. Tax revenue of $70,516,533, (77)% of the total General Fund revenue increased by 4% in 2020. There were no changes made to the City's mill levy or sales tax rate in 2020. The General Fund balance increased by $5,421,267, 19%, primarily due to an increase in property taxes, $2,422,004 or 3.5% and an increase in expenditures of only $1,289,166 or 1.6%

The Loveland Urban Renewal Authority (LURA) Fund revenues increased in 2020 to $17,913,212. Tax revenues of $17,387,039 (97% of total revenues) increased by $744,709 or 4% from 2019. Total 2020 expenditures of $16,707,942 include the distribution of tax increment financing $14,110,478, school district fund $2,377,766, and other services $159,015.

Total revenues in the Capital Expansion Fees (CEF) Fund increased by $5,056,419, 73% from 2019, due to an increase in Charges for Services. The fund balance in the CEF Fund decreased by $(922,990) or (3)%,versus a decrease in 2019 of $(3,788,956). This decrease is due to Capital Outlay of $428,860, transfers to the Transportation Fund of $6,675,589 and transfers to the Capital Project Fund of $5,583,456.

Excluding transfers, the total revenue for the Loveland Fire Rescue Authority Fund was $21,425,376 and total expenditures were $20,844,309. Fund balance increased by $581,259, primarily due to an increase of revenues $483,051 or 2.3% from 2019 and a decrease in expenditures of $1,636,356 or 7.3% from 2019.

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 $652,063,041, an increase of $35,631,187. Each of the Proprietary Funds had net position increases, the most significant in the Water Fund which increased $14,115,807 from 2019.

General Fund Budgetary Highlights

The General Fund has been operating with a structural deficit for the Fiscal Year's 2016, 2017, 2018 and 2019. In 2020, the General Fund generated $5.3 million more in revenue than it incurred in expenditures.

In 2020, General Fund expenditures decreased by $2,943,057 from 2019. Appropriated expenditures were de-appropriated mid-year by approximately $8.8 million due to the effect of COVID on City revenue collections. The largest monetary reductions came from delayed Transportation capital projects, deferred facility repair and maintenance and reductions in pay. There were two reductions in pay in 2020; 6 mandatory furlough days for all General Fund employees with the exception of public safety and no merit or cost of living increases with the exception of Police and Fire.

Revenue was forecasted to decline due to COVID impacts throughout the course of the year however sales and use tax revenue performed better than the prior year. Building Use Tax was especially strong in 2020 due to the increased home renovations and new construction of residential properties within the City. However, at the same time, the Lodging Tax Fund was down $426,120 or (42.2%) over the prior year due to social distancing restrictions severely impacting the occupancy rates at both the hotels and vacation rental homes.

Proprietary Fund Budgetary Highlights

The Water, Wastewater and Power Utilities' sales revenues were challenged in 2020 by the COVID-19 pandemic, but all three weathered the storm. Water Sales came in over budget, and Wastewater and Electric & Communications Sales came in under budget, but by less than 5%. 2020 was a very strong year for development-driven revenues, with all three utilities seeing much more activity than was anticipated. All three utilities came in well under budget in Operating and Maintenance expense, rehabilitation capital expenditures and growth-related capital expenditures. Pulse, the City's new broadband utility, continued its rollout with approximately 20% of the construction of the new system completed by the end of 2020 and the first customers brought online.

Capital Assets and Debt Administration

Capital Assets

At the end of 2020, the City had $1,067,932,712 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, buildings and equipment increased by 5% and construction in process increased by 54% 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 2020:

Municipal Fiber (Pulse) Infrastructure	$ 23,783,931
Police Training Campus	$ 16,933,720
Chimney Hollow Reservoir	$ 6,953,578
Parallel Boyd Wastewater Interceptor	$ 6,028,398
5.0 MG Water Storage 29th Street Tank	$ 4,828,203
South Loveland Outfall Phase 3	$ 4,668,928
Pulliam Renovation	$ 3,558,408

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
	2020	2019	2020	2019	2020	2019	
Land	$ 63,830,257	$ 62,905,341	$ 14,949,962	$ 14,949,341	$ 78,780,219	$ 77,854,682	1.2%
Art Collection	7,654,835	7,446,306	-	-	7,654,835	7,446,306	2.8%
Buildings	72,751,268	71,174,538	24,174,906	24,124,099	96,926,174	95,298,637	1.7%
Improvements	34,526,386	29,531,802	119,746,290	122,201,256	154,272,676	151,733,058	1.7%
Equipment	20,232,063	16,985,981	10,976,105	7,514,539	31,208,168	24,500,520	27.4%
Water rights	2,747,520	2,624,520	77,769,650	76,308,542	80,517,170	78,933,062	2.0%
Infrastructure	205,900,994	202,171,807	265,786,670	242,127,566	471,687,664	444,299,373	6.2%
Easements	6,828,260	5,282,314	32,533,720	26,448,264	39,361,980	31,730,578	24.1%
Construction in Process	49,362,623	31,547,520	58,161,203	38,294,660	107,523,826	69,842,180	54.0%
Total	**$ 463,834,206**	**$ 429,670,129**	**$ 604,098,506**	**$ 551,968,267**	**$ 1,067,932,712**	**$ 981,638,396**	**8.8%**

Major additions in 2020 included the following assets:

Fire Station #7	$ 3,895,802	Street Rehabilitation	$ 3,641,609
Loveland Sports Park Phase II	$ 3,551,880	Water Rights	$ 1,461,108

Debt

At year-end, the City had a number of oversizing agreements related to Streets totaling $1,180,149. There were no contract amendments in 2020. Between 2013 and 2015, the City secured $13,200,000 for improvements to the Water Treatment Plant. All $13,200,000 of the water bonds has been drawn and the City paid down $660,000 of this debt in 2020. Additionally, between 2017 and 2018, the City secured $24,900,000 for improvements to the Water Reclamation Facility; the City paid down $690,000 of this debt in 2020.

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 currently in transition from a declining trajectory to a growth one, but it is only in the infancy of this transition. Strict financial stewardship is essential for evaluating future increases to the budget both on the capital and operations and maintenance sides. Stronger than expected revenue growth in Sales & Use Tax through the first quarter of 2021 are a good sign that the recession might be lightening up. If this trend continues, the first priority in allocating new resources will be to areas hardest hit by prior reductions and for replacing lost revenue that was attributed to COVID. This is only an intent at this point at the specific allocation requirements have not been released for the American Rescue Plan Act.

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 7% in 2021 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 7% in 2021, 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 3% in 2021 to fund increases in wholesale power costs and additional rehabilitative capital needs.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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.



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, 2020

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash	$ 10,699	$ 8,250	$ 18,949
Equity in Pooled Cash	46,692,657	1,202,628	47,895,285
Equity in Pooled Investments	69,960,633	58,672,596	128,633,229
Receivables (Net):			
Taxes	37,624,707	-	37,624,707
Accounts	6,492,533	12,310,416	18,802,949
Grants	6,418,553	816,213	7,234,766
Due From Other Funds	151,936	-	151,936
Accrued Interest	301,719	334,163	635,882
Inventory of Supplies	1,072,226	6,310,129	7,382,355
Equity in Northern Colorado Regional Airport	8,295,800	-	8,295,800
Restricted Assets:			
Equity in Pooled Restricted Cash	9,784,218	81,670,684	91,454,902
Equity in Pooled Restricted Investments	-	39,821,966	39,821,966
Capital Assets:			
Land, Water Rights and Other Assets not Being Depreciated	81,060,872	125,253,332	206,314,204
Building, Improvements and Equipment, Net of Depreciation	333,410,711	420,683,971	754,094,682
Construction in Progress	49,362,623	58,161,203	107,523,826
Total Assets	650,639,887	805,245,551	1,455,885,438
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Items	101,700	-	101,700
Asset Retirement Obligation	-	277,671	277,671
Total Deferred Outflows of Resources	101,700	277,671	379,371
LIABILITIES			
Accounts Payable	14,144,035	13,519,300	27,663,335
Accrued Liabilities	1,772,211	1,602,036	3,374,247
Deposits	1,341,250	5,186,575	6,527,825
Noncurrent Liabilities:			
Due Within One Year	4,201,924	2,789,980	6,991,904
ARO Liability - Hydro - Short Term	-	1,732,022	1,732,022
Pollution Remediation-Short Term	115,000	-	115,000
Due in More Than One Year	22,743,646	127,961,406	150,705,052
ARO Liability - Solar - Long Term	-	313,500	313,500
Pollution Remediation-Long Term	405,000	-	405,000
Pension Liability - Due in More Than One Year	1,446,006	-	1,446,006
Total Liabilities	46,169,072	153,104,819	199,273,891
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Items	81,612	-	81,612
Deferred Property Taxes	30,880,832	-	30,880,832
Deferred Other	-	355,362	355,362
Total Deferred Inflows of Resources	30,962,444	355,362	31,317,806
NET POSITION			
Net Investment in Capital Assets	442,641,192	540,618,535	983,259,727
Restricted - Nonexpendable	3,482,654	-	3,482,654
Restricted:			
Future Capital Improvements	-	55,601,577	55,601,577
Tabor 3% Emergency Reserve	2,878,245	-	2,878,245
Conservation Trust Fund	5,825,798	-	5,825,798
Open Space Acquistions	11,106,915	-	11,106,915
Reserve for Excess Tabor	827,466	-	827,466
Fire and Rescue	8,235,183	-	8,235,183
Urban Revitalization	1,945,866	-	1,945,866
Other	3,569,876	-	3,569,876
Unrestricted	93,096,876	55,842,929	148,939,805
Total Net Position	$ 573,610,071	$ 652,063,041	$ 1,225,673,112

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, 2020

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants & Contributions	Program Revenues: Capital Grants & Contributions
Governmental Activities:				
City Manager	$ 5,027,941	$ 90,971	$ -	$ -
Legislative	142,847	-	-	-
City Attorney	1,282,582	54,551	-	-
City Clerk	737,749	65,840	-	-
Municipal Court	680,160	1,054,434	140	-
Finance	5,822,026	208,229	-	-
Human Resources	1,432,526	1,465	-	-
Information Technology	6,892,385	258,325	-	-
Economic Development	2,914,656	1,343,115	12,745	-
Development Services	5,701,230	3,273,085	-	-
Public Works	30,043,177	22,514,463	5,662,583	9,937,638
Police	25,999,756	6,538,486	234,427	706,496
Fire and Rescue	19,287,233	2,896,385	17,266,425	899,133
Parks & Recreation	13,456,687	3,294,031	27,973	3,809,957
Library	2,920,546	139,437	62,980	418,540
Cultural Services	3,731,823	230,858	98,361	460,783
General Government	19,008,838	3,843,246	-	843,807
Interest on long term debt	781,283	-	-	-
Total Governmental Activities	**145,863,445**	**45,806,921**	**23,365,634**	**17,076,354**
Business Type Activities:				
Water	17,668,199	22,127,504	170,403	8,558,810
Wastewater	13,747,570	14,929,933	24,945	3,849,559
Stormwater	5,689,635	8,099,802	38	4,989,076
Electric & Communications	71,180,474	70,863,380	122,086	7,424,006
Solid Waste	7,774,032	8,783,551	1,873	-
Golf	3,526,340	4,387,012	-	-
Total Business-Type Activities	**119,586,250**	**129,191,182**	**319,345**	**24,821,451**
City Total	**$ 265,449,695**	**$ 174,998,103**	**$ 23,684,979**	**$ 41,897,805**
General revenues:				
Property Taxes				
Sales and Use Taxes				
Franchise Taxes				
Other Taxes				
Investment Earnings				
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) Revenues and Change in Net Position		
Governmental Activities	Business Type Activities	Totals
$ (4,936,970)	$ -	$ (4,936,970)
(142,847)	-	(142,847)
(1,228,031)	-	(1,228,031)
(671,909)	-	(671,909)
374,414	-	374,414
(5,613,797)	-	(5,613,797)
(1,431,061)	-	(1,431,061)
(6,634,060)	-	(6,634,060)
(1,558,796)	-	(1,558,796)
(2,428,145)	-	(2,428,145)
8,071,507	-	8,071,507
(18,520,347)	-	(18,520,347)
1,774,710	-	1,774,710
(6,324,726)	-	(6,324,726)
(2,299,589)	-	(2,299,589)
(2,941,821)	-	(2,941,821)
(14,321,785)	-	(14,321,785)
(781,283)	-	(781,283)
(59,614,536)	**-**	**(59,614,536)**
-	13,188,518	13,188,518
-	5,056,867	5,056,867
-	7,399,281	7,399,281
-	7,228,998	7,228,998
-	1,011,392	1,011,392
-	860,672	860,672
-	**34,745,728**	**34,745,728**
$ (59,614,536)	**$ 34,745,728**	**$ (24,868,808)**
29,121,824	-	29,121,824
59,647,002	-	59,647,002
1,669,956	-	1,669,956
1,746,201	-	1,746,201
1,343,775	3,431,421	4,775,196
221,161	240,576	461,737
2,786,538	(2,786,538)	-
96,536,457	885,459	97,421,916
36,921,921	35,631,187	72,553,108
536,688,150	616,431,854	1,153,120,004
$ 573,610,071	$ 652,063,041	$ 1,225,673,112

City of Loveland, Colorado
Balance Sheet
Governmental Fund Types
December 31, 2020

	General	Loveland Urban Renewal Authority	Transportation	Capital Expansion Fees	Loveland Fire Rescue Authority
ASSETS					
Cash	$ 10,399	$ -	$ -	$ -	$ -
Equity in Pooled Cash	15,652,087	-	95	18,770,807	5,201,394
Equity in Pooled Investments	14,116,927	-	80,110	10,748,894	2,763,671
Receivables (Net):					
Taxes	18,101,417	18,867,682	25,014	-	-
Accounts	936,605	896,405	657,518	56,999	887,044
Grants	2,498,414	-	2,146,688	3,471	13,750
Due from Other Funds	614,218	-	-	-	-
Accrued Interest	5,759	11,204	6,774	81,856	28,178
Interfund Loan Receivable	34,802	-	-	2,685,439	-
Inventory	-	-	532,779	-	-
Equity in Pooled Restricted Cash	1,748,156	5,320,545	-	-	-
Total Assets	**53,718,784**	**25,095,836**	**3,448,978**	**32,347,466**	**8,894,037**
LIABILITIES					
Accounts Payable	4,459,569	2,978,241	1,731,297	173,937	246,596
Accrued Liabilities	816,979	-	189,212	2,943	412,258
Due to Other Funds	-	-	364,218	-	-
Interfund Loan Payable	1,196,998	1,795,288	-	-	-
Total Liabilities	**6,473,546**	**4,773,529**	**2,284,727**	**176,880**	**658,854**
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	1,883,878	-	1,164,251	60,470	828,562
Deferred Property Taxes	11,880,601	18,867,682	-	-	-
Total Deferred Inflows of Resources	**13,764,479**	**18,867,682**	**1,164,251**	**60,470**	**828,562**
Total Liabilities and Deferred Inflows of Resources	20,238,025	23,641,211	3,448,978	237,350	1,487,416
Fund Balances:					
Nonspendable	34,802	-	532,779	-	-
Restricted	4,883,384	1,454,625	-	-	7,406,621
Committed	812,088	-	-	32,110,116	-
Assigned	-	-	-	-	-
Unassigned	27,750,485	-	(532,779)	-	-
Total Fund Balances	33,480,759	1,454,625	-	32,110,116	7,406,621
Total Liabilities and Fund Balances	**$ 53,718,784**	**$ 25,095,836**	**$ 3,448,978**	**$ 32,347,466**	**$ 8,894,037**

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

City of Loveland, Colorado
Balance Sheet
Governmental Fund Types
December 31, 2020

	Capital Project Funds	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash	$ -	$ 300	$ 10,699
Equity in Pooled Cash	8,199	823,558	40,456,140
Equity in Pooled Investments	34,506	20,894,796	48,638,904
Receivables (Net):			
Taxes	-	630,594	37,624,707
Accounts	2,904,863	8,875	6,348,309
Grants	1,554,989	201,135	6,418,447
Due from Other Funds	-	-	614,218
Accrued Interest	-	74,497	208,268
Interfund Loan Receivable	-	-	2,720,241
Inventory	-	20,580	553,359
Equity in Pooled Restricted Cash	-	2,124,723	9,193,424
Total Assets	**4,502,557**	**24,779,058**	**152,786,716**
LIABILITIES			
Accounts Payable	4,117,178	292,619	13,999,437
Accrued Liabilities	20,248	57,548	1,499,188
Due to Other Funds	250,000	-	614,218
Interfund Loan Payable	-	-	2,992,286
Total Liabilities	**4,387,426**	**350,167**	**19,105,129**
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue	1,554,989	117,872	5,610,022
Deferred Property Taxes	-	132,549	30,880,832
Total Deferred Inflows of Resources	**1,554,989**	**250,421**	**36,490,854**
Total Liabilities and Deferred Inflows of Resources	5,942,415	600,588	55,595,983
Fund Balances:			
Nonspendable	-	3,503,234	4,070,815
Restricted	-	18,061,112	31,805,742
Committed	-	1,157,210	34,079,414
Assigned	-	1,456,914	1,456,914
Unassigned	(1,439,858)	-	25,777,848
Total Fund Balances	(1,439,858)	24,178,470	97,190,733
Total Liabilities and Fund Balances	**$ 4,502,557**	**$ 24,779,058**	**$ 152,786,716**

Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	454,695,272
City's joint venture equity interest in Northern Colorado Regional Airport	8,295,800
City's Net Pension Liability	(1,446,006)
Certain deferred inflows of resources represent deferred revenue which revenue does not represent current available resources. These revenues are eliminated at the activity level.	5,610,022
Certain deferred outflows/inflows of resources represent deferred expenses relating to pension expenses	20,088
Pollution Remediaton	(520,000)
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.	36,514,675
Long-term liabilities are not due and payable in the current period and are not reported in the funds.	
(Accrued Leave $5,557,499, Certificates of Participation $15,540,000, Capital Leases, $3,661,054, Intergovernmental Agreement for Apparatus Purchase, $811,811, and developer oversizing agreements $1,180,149)	(26,750,513)
Net Position of Governmental Activities	$ 573,610,071

City of Loveland, Colorado
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Fund Types
For the Year Ended December 31, 2020

	General	Loveland Urban Renewal Authority	Transportation	Capital Expansion Fees	Loveland Fire Rescue Authority
Revenues:					
Taxes	$ 70,516,533	$ 17,387,039	$ 88,786	$ -	$ -
Licenses and Permits	3,581,928	-	174,203	-	146,636
Fines and Penalties	1,003,433	-	-	-	-
Intergovernmental	4,150,807	-	6,895,348	880,000	17,334,935
Charges for Services	2,571,077	-	3,429,911	10,539,628	1,689,420
Investment Earnings (Loss)	142,743	76,159	55,041	443,506	180,682
Payment in Lieu of Taxes	8,132,827	-	-	-	-
Contributions	200,338	-	-	-	-
Miscellaneous	1,469,126	450,014	93,429	124,908	2,073,703
Total Revenues	91,768,812	17,913,212	10,736,718	11,988,042	21,425,376
Expenditures:					
Current:					
Legislative	142,847	-	-	-	-
City Manager	1,746,184	-	-	-	-
City Attorney	1,243,257	-	-	-	-
City Clerk	740,762	-	-	-	-
Municipal Court	676,200	-	-	-	-
Finance	5,704,161	-	-	-	-
Human Resources	1,430,180	-	-	-	-
Information Technology	4,432,389	-	-	-	-
Economic Development	1,917,488	-	-	-	-
Development Services	2,802,537	-	-	-	-
Public Works	8,175,423	-	12,301,532	-	-
Police	24,725,125	-	-	158,689	-
Fire	-	-	-	-	18,427,368
Parks & Recreation	8,632,531	-	-	64,911	-
Library	2,855,153	-	-	-	-
Cultural Services	1,848,099	-	-	-	-
General Government	8,730,943	16,647,259	-	-	-
Capital Outlay	2,549,268	-	14,874,787	428,860	2,033,795
Debt service					
Principal	510,000	-	-	-	240,794
Interest and debt service costs	581,248	60,683	-	-	142,352
Total Expenditures	79,443,795	16,707,942	27,176,319	652,460	20,844,309
Excess (Deficiency) of Revenues Over (Under) Expenditures	12,325,017	1,205,270	(16,439,601)	11,335,582	581,067
Other Financing Sources (Uses):					
Transfers In	6,548,608	-	16,531,354	545	192
Transfers (Out)	(13,452,358)	(398,297)	(91,753)	(12,259,117)	-
Total Other Financing Sources (Uses)	(6,903,750)	(398,297)	16,439,601	(12,258,572)	192
Net Change in Fund Balance	5,421,267	806,973	-	(922,990)	581,259
Fund Balances--Beginning	28,059,492	647,652	-	33,033,106	6,825,362
Fund Balances--Ending	$ 33,480,759	$ 1,454,625	$ -	$ 32,110,116	$ 7,406,621

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

Capital Project Funds	Other Governmental Funds	Total Governmental Funds
$ -	$ 3,346,389	$ 91,338,747
-	-	3,902,767
-	-	1,003,433
22,574	3,602,429	32,886,093
-	130,434	18,360,470
(200,012)	645,656	1,343,775
-	-	8,132,827
5,665,214	-	5,865,552
500,000	1,505,386	6,216,566
5,987,776	9,230,294	169,050,230
-	-	142,847
-	3,244,573	4,990,757
-	-	1,243,257
-	-	740,762
-	-	676,200
-	-	5,704,161
-	-	1,430,180
1,983,731	138,370	6,554,490
-	983,154	2,900,642
-	-	2,802,537
78,965	640,177	21,196,097
287,039	-	25,170,853
-	-	18,427,368
75,876	1,529,855	10,303,173
-	-	2,855,153
-	-	1,848,099
-	21,170	25,399,372
18,397,655	1,360,538	39,644,903
-	150,682	901,476
-	-	784,283
20,823,266	8,068,519	173,716,610
(14,835,490)	1,161,775	(4,666,380)
12,209,041	550,000	35,839,740
(327,620)	(181,652)	(26,710,797)
11,881,421	368,348	9,128,943
(2,954,069)	1,530,123	4,462,563
1,514,211	22,648,347	92,728,170
$ (1,439,858)	$ 24,178,470	$ 97,190,733

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, 2020

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	4,462,563
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 $39,644,903 exceeded depreciation $19,218,138 in the current period.		20,426,765
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 gain on disposal of capital assets.		11,190,499
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.		885,972
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 $769,844; a decrease in developer oversizing agreements, net of accrued interest $373,874; an increase in pension costs due to the change in the Net Pension Liability $86,362 and an increase in Pollution Remediation $520,000.		(829,608)
Expenses that are recorded for the Airport joint venture in the statement of activities that are not reported as expenses in the funds.		(294,686)
Issuance of Long-Term Debt not reported in Statement of Activities (none), less principal payments of $750,794.		750,794
Internal service funds are used by management to charge the costs to various services to individual funds. The net revenue of certain activities of the internal service fund is reported with governmental funds.		329,622
Change in net position of governmental activities	$	36,921,921

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, 2020

	Business-Type Activities - Enterprise Funds			
	Water	Waste Water	Stormwater	Electric & Communications
ASSETS				
Current Assets:				
Cash	$ -	$ -	$ -	$ 2,850
Equity in Pooled Cash	20,844	410,198	96,639	562,303
Equity in Pooled Investments	10,954,829	7,346,355	10,742,710	18,721,080
Receivables, Net	1,686,558	1,724,140	916,644	7,748,412
Accrued Interest	146,791	13,777	51,390	79,082
Inventory, at Cost	376,763	4,824	-	5,667,401
Total Current Assets	13,185,785	9,499,294	11,807,383	32,781,128
Non-current Assets:				
Interfund Loan Receivable	-	-	-	750,000
Restricted Assets:				
Future Raw Water Projects Restricted Cash	9,652,096	-	-	-
Future Easement Improvements Restricted Cash	-	-	-	-
Equity in Pooled Restricted Cash	436,401	931,889	-	65,781,470
Reservoir Improvements Restricted Cash	-	-	-	-
System Impact Fees	-	-	4,168,123	-
Equity in Pooled Restricted Investments	25,423,065	1,992,655	-	12,406,246
Total Restricted Assets	35,511,562	2,924,544	4,168,123	78,187,716
Capital Assets:				
Land	4,046,605	1,124,497	6,212,999	2,510,359
Intangible Assets/Easements	7,690,947	7,834,183	7,913,782	9,094,808
Buildings	3,467,553	18,102,708	94,184	5,179,139
Equipment	2,927,631	3,477,434	3,490,264	6,973,131
Improvements Other Than Buildings	185,207,187	107,537,887	53,557,698	213,680,727
Water Rights	77,675,150	-	-	-
Construction in Progress	19,390,926	14,122,310	9,998,340	14,620,293
Total Capital Assets	300,405,999	152,199,019	81,267,267	252,058,457
Accumulated Depreciation	(62,558,683)	(37,061,849)	(18,128,958)	(71,873,881)
Net Capital Assets	237,847,316	115,137,170	63,138,309	180,184,576
Total Non-Current Assets	273,358,878	118,061,714	67,306,432	259,122,292
Total Assets	$ 286,544,663	$ 127,561,008	$ 79,113,815	$ 291,903,420
Deferred Outflows of Resources:				
Asset Retirement Obligation	-	-	-	277,671

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, 2020
(Continued)

Business-Type Activities - Enterprise Funds			Governmental Activities
Solid Waste	Golf	Totals	Internal Service
$ 1,250	$ 4,150	$ 8,250	$ -
85,489	27,155	1,202,628	6,236,517
5,661,962	5,245,660	58,672,596	21,321,729
845,602	205,273	13,126,629	296,266
22,711	20,412	334,163	93,451
168,216	92,925	6,310,129	518,867
6,785,230	5,595,575	79,654,395	28,466,830
-	-	750,000	272,045
-	-	9,652,096	-
-	93,935	93,935	-
425,231	-	67,574,991	590,794
-	181,539	181,539	-
-	-	4,168,123	-
-	-	39,821,966	-
425,231	275,474	121,492,650	590,794
-	1,055,502	14,949,962	209,516
-	-	32,533,720	-
378,098	4,554,614	31,776,296	1,976,509
9,275,544	2,746,165	28,890,169	18,023,633
232,356	8,316,518	568,532,373	-
-	94,500	77,769,650	-
-	29,334	58,161,203	-
9,885,998	16,796,633	812,613,373	20,209,658
(6,518,265)	(12,373,231)	(208,514,867)	(11,070,724)
3,367,733	4,423,402	604,098,506	9,138,934
3,792,964	4,698,876	726,341,156	10,001,773
$ 10,578,194	$ 10,294,451	$ 805,995,551	$ 38,468,603
-	-	277,671	-

City of Loveland, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2020
(Continued)

	Business-Type Activities - Enterprise Funds			
	Water	Waste Water	Stormwater	Electric & Communications
LIABILITIES				
Current Liabilities:				
Accounts Payable	2,143,014	1,383,968	3,701,935	6,087,258
Accrued Liabilities	435,996	558,063	74,255	475,542
Deposits	-	-	-	5,186,575
ARO Liability - Hydro	-	-	-	1,732,022
Compensated Absences	204,942	162,331	80,322	294,503
Bond Payable - Current	680,000	715,000	-	405,115
Total Current Liabilities	3,463,952	2,819,362	3,856,512	14,181,015
Long-Term Liabilities:				
Compensated Absences	167,679	132,816	65,719	240,957
Bond Payable	10,000,000	22,830,000	-	94,332,655
ARO Liability - Solar	-	-	-	313,500
Interfund Loan Payable	750,000	-	-	-
Total Long-Term Liabilities	10,917,679	22,962,816	65,719	94,887,112
Total Liabilities	14,381,631	25,782,178	3,922,231	109,068,127
NET POSITION				
Net Investment in Capital Assets	227,049,042	91,592,170	63,138,309	151,047,879
Net Position Restricted for Future Improvements	35,511,562	2,924,544	4,168,123	12,586,643
Unrestricted	9,602,428	7,262,116	7,885,152	19,478,442
Total Net Position	$ 272,163,032	$ 101,778,830	$ 75,191,584	$ 183,112,964

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, 2020
(Continued)

Business-Type Activities - Enterprise Funds			Governmental Activities
Solid Waste	Golf	Totals	Internal Service
120,342	438,145	13,874,662	1,485,848
113,638	62,816	1,720,310	273,023
-	-	5,186,575	-
-	-	1,732,022	-
90,201	86,390	918,689	-
-	-	1,800,115	-
324,181	587,351	25,232,373	1,758,871
73,800	70,682	751,653	195,057
-	-	127,162,655	-
-	-	313,500	-
-	-	750,000	-
73,800	70,682	128,977,808	195,057
397,981	658,033	154,210,181	1,953,928
3,367,733	4,423,402	540,618,535	9,138,934
425,231	275,474	55,891,577	590,794
6,387,249	4,937,542	55,552,929	26,784,947
$ 10,180,213	$ 9,636,418	$ 652,063,041	$ 36,514,675

City of Loveland, Colorado

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

Proprietary Funds

For the Year Ended December 31, 2020

	Business-Type Activities - Enterprise Funds				
	Water	Waste Water	Stormwater	Electric & Communications	Solid Waste
Operating Revenues:					
Charges for Services	$ 19,254,476	$ 14,785,784	$ 8,018,867	$ 69,859,944	$ 8,783,954
Miscellanous	1,679,752	152,036	76,635	1,123,759	-
Total Operating Revenues	20,934,228	14,937,820	8,095,502	70,983,703	8,783,954
Operating Expenses:					
Personal Services	5,611,706	4,251,262	1,644,720	6,102,398	2,667,959
Supplies	1,276,203	606,143	47,214	274,011	197,911
Purchased Services	4,530,201	3,470,456	2,095,219	5,931,019	3,499,969
Purchased Power	-	-	-	44,575,093	-
Payment for Services	1,268,900	962,272	524,599	4,809,429	567,627
Depreciation	3,941,780	3,517,777	1,377,883	6,012,874	823,718
Total Operating Expenses	16,628,790	12,807,910	5,689,635	67,704,824	7,757,184
Net Operating Income (loss)	4,305,438	2,129,910	2,405,867	3,278,879	1,026,770
Nonoperating Revenues (Expenses):					
Investment Earnings	1,353,070	19,936	479,341	1,199,674	196,816
Bond Expenses	(4,075)	(750)	-	(1,000)	-
Interest and debt service costs	(404,411)	(961,509)	-	(3,459,656)	(16,848)
Gain (Loss) on Sale of Capital Assets	(624,545)	29,599	150,550	(14,994)	71,300
Total Nonoperating Revenues (Expense)	320,039	(912,724)	629,891	(2,275,976)	251,268
Net Income (Loss) Before Contributions and Transfers	4,625,477	1,217,186	3,035,758	1,002,903	1,278,038
Capital Contributions:					
System Impact/Development Fees	4,147,575	2,016,545	641,872	3,057,681	-
Contributed Assets	3,376,894	1,833,014	4,347,204	2,360,228	-
Aid to Construction	-	-	-	2,006,097	-
Raw Water Development Fees	1,335,720	-	-	-	-
Cash in Lieu of Water Rights	1,034,341	-	-	-	-
Capital Grant Contributions	27,959	17,058	4,338	1,763	1,470
Transfers In	394	-	500	-	-
Transfers (Out)	(432,553)	(408,005)	(203,195)	(1,402,559)	(337,996)
Change in Net Position	14,115,807	4,675,798	7,826,477	7,026,113	941,512
Total Net Position - Beginning	258,047,225	97,103,032	67,365,107	176,086,851	9,238,701
Total Net Position - Ending	$ 272,163,032	$ 101,778,830	$ 75,191,584	$ 183,112,964	$ 10,180,213

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

Business-Type Activities - Enterprise Funds		Governmental Activities
Golf	Totals	Internal Service
$ 4,373,160	$ 125,076,185	$ 27,472,414
10,533	3,042,715	216,652
4,383,693	128,118,900	27,689,066
2,068,957	22,347,002	2,425,432
463,082	2,864,564	2,124,975
672,183	20,199,047	16,000,921
-	44,575,093	-
-	8,132,827	-
322,118	15,996,150	1,582,749
3,526,340	114,114,683	22,134,077
857,353	14,004,217	5,554,989
182,584	3,431,421	826,178
-	(5,825)	-
-	(4,842,424)	(5,112)
5,348	(382,742)	269,290
187,932	(1,799,570)	1,090,356
1,045,285	12,204,647	6,645,345
-	9,863,673	-
-	11,917,340	-
-	2,006,097	-
-	1,335,720	-
-	1,034,341	-
3,319	55,907	26,682
-	894	-
(3,124)	(2,787,432)	(6,342,405)
1,045,480	35,631,187	329,622
8,590,938	616,431,854	36,185,053
$ 9,636,418	$ 652,063,041	$ 36,514,675

City of Loveland, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2020

	Business-Type Activities - Enterprise Funds		
	Water	Waste Water	Stormwater
Cash Flows from Operating Activities:			
Cash Received from Customers	$ 19,095,044	$ 14,557,079	$ 7,957,242
Cash Received from Interfund Services	-	-	-
Cash Received for Goods and Services			
Cash Payments for Goods and Services	(5,921,009)	(5,919,904)	(678,667)
Cash Payments to Employees	(5,415,032)	(4,169,837)	(1,615,859)
Other Receipts (Payments)	1,508,770	156,461	76,640
Net Cash Provided by Operating Activities	9,267,773	4,623,799	5,739,356
Cash Flows from Non-Capital Financing Activities:			
Transfers In	394	-	500
Transfers Out	(432,553)	(408,005)	(203,195)
Net Cash Used by Non-Capital Financing Activities	(432,159)	(408,005)	(202,695)
Cash Flows from Capital and Related Financing Activities			
System Impact/Development Fees	4,147,574	2,016,545	641,872
Proceeds on Sale of Capital Assets	6,379	-	150,550
Payments for Capital Acquisition	(11,673,881)	(6,788,199)	(8,771,444)
Intergovernmental Revenue	-	-	-
Raw Water Development Fees	1,335,720	-	-
Capital Grant Contributions	27,961	4,801	4,338
Cash in Lieu of Water Rights	1,034,341	-	-
Aid to Construction	-	-	-
Debt Principal Payment	(1,410,000)	(690,000)	-
Repayments received on Interfund Loans receivable	-	-	-
Bond Expenses	(2,500)	-	-
Interest Paid	(414,615)	(972,491)	-
Net Cash Used by Capital and Related Financing Activities	(6,949,021)	(6,429,344)	(7,974,684)
Cash Flows from Investing Activities:			
Purchase of Investments	(14,798,431)	(1,788,495)	(5,296,049)
Proceeds from Sale of Investments	17,126,098	5,110,552	7,500,000
Investment Earnings	812,979	153,289	309,739
Net Cash Flows Provided (Used) by Investing Activities	3,140,646	3,475,346	2,513,690
Net Increase in Cash and Cash Equivalents	5,027,239	1,261,796	75,667
Cash and Cash Equivalents - Jan. 1	5,082,102	80,291	4,189,095
Cash and Cash Equivalents - Dec. 31	$ 10,109,341	$ 1,342,087	$ 4,264,762
Reconciliation of Operating Income to Net			
Operating Income	$ 4,305,438	$ 2,129,910	$ 2,405,867
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation	3,941,780	3,517,777	1,377,883
(Increase) Decrease in Accounts Receivable	(330,389)	(224,273)	(61,625)
(Increase) Decrease in Inventory	(105,905)	(1,209)	-
Increase (Decrease) in Current Liabilities	1,456,849	(798,406)	2,017,231
Decrease in Long Term Liabilities	-	-	-
Total Adjustments	4,962,335	2,493,889	3,333,489
Net Cash Provided by Operating Activities	$ 9,267,773	$ 4,623,799	$ 5,739,356
Noncash Investing, Capital and Financing Activities:			
Contributed Assets from Subdividers	$ 3,376,894	$ 1,833,014	$ 4,347,203
Unrealized Gain (Loss) on Investments	533,207	(84,986)	178,237
Reconciliation of cash and cash equivalents to statement of net position:			
Cash and cash equivalents	20,844	410,198	96,639
Restricted Assets - cash and cash equivalents	10,088,497	931,889	4,168,123
	$ 10,109,341	$ 1,342,087	$ 4,264,762

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
$ 69,785,450	$ 8,876,104	$ 4,373,160	$ 124,644,079	$ -
-	-	-	-	28,236,147
				381,280
(58,480,335)	(4,401,483)	(1,067,254)	(76,468,652)	(18,123,622)
(5,925,243)	(2,600,779)	(2,075,468)	(21,802,218)	(2,462,111)
1,123,315	(10,198)	10,535	2,865,523	886,021
6,503,187	1,863,644	1,240,973	29,238,732	8,917,715
-	-	-	894	-
(1,402,559)	(337,996)	(3,124)	(2,787,432)	(6,342,405)
(1,402,559)	(337,996)	(3,124)	(2,786,538)	(6,342,405)
3,057,681	-	-	9,863,672	
-	71,300	4,096	232,325	175,995
(27,531,068)	(1,503,281)	(573,096)	(56,840,969)	(4,036,269)
-	1,471	3,265	4,736	26,576
-	-	-	1,335,720	-
1,762	-	-	38,862	-
-	-	-	1,034,341	-
3,910,166	-	-	3,910,166	-
	-	-	(2,100,000)	(5,112)
344,885	-	-	344,885	48,325
-	-	-	(2,500)	-
(3,460,657)	-	-	(4,847,763)	-
(23,677,231)	(1,430,510)	(565,735)	(47,026,525)	(3,790,485)
(7,589,897)	(2,106,960)	(1,901,548)	(33,481,380)	(9,138,142)
(6,278,614)	1,700,000	1,100,000	26,258,036	11,360,768
955,933	123,105	106,111	2,461,156	513,739
(12,912,578)	(283,855)	(695,437)	(4,762,188)	2,736,365
(31,489,181)	(188,717)	(23,323)	(25,336,519)	1,521,190
97,835,804	700,687	330,102	108,218,081	5,306,121
$ 66,346,623	$ 511,970	$ 306,779	$ 82,881,562	$ 6,827,311
$ 3,278,879	$ 1,026,770	$ 857,353	$ 14,004,217	$ 5,554,990
6,012,874	823,718	322,118	15,996,150	1,582,749
(74,947)	92,149	-	(599,085)	1,950,342
(1,785,449)	(64,030)	9,461	(1,947,132)	(94,457)
(160,192)	(14,963)	52,041	2,552,560	(75,909)
(767,978)	-	-	(767,978)	-
3,224,308	836,874	383,620	15,234,515	3,362,725
$ 6,503,187	$ 1,863,644	$ 1,240,973	$ 29,238,732	$ 8,917,715
$ 2,360,228	$ -	$ -	$ 11,917,339	$ -
233,266	74,904	72,983	1,007,611	320,989
565,153	86,739	31,305	1,210,878	6,236,517
65,781,470	425,231	275,474	81,670,684	590,794
$ 66,346,623	$ 511,970	$ 306,779	$ 82,881,562	$ 6,827,311

City of Loveland, Colorado
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2020

	Special Improvement District No. 1 Custodial Fund
ASSETS	
Equity in Pooled Cash and Cash Equivalents	$ 3,107
Equity in Pooled Investments	159,070
Accrued Interest	1,568
Equity in Pooled Restricted Cash	327,853
Total Assets	$ 491,598
LIABILITIES	
Accounts Payable	253
Total Liabilities	$ 253
Net Position:	
Restricted For:	
Improvement District	$ 491,345

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, 2020

Additions:		
Special Assessments	$	554,506
Interest		13,965
Miscellaneous		2,113
Total Additions		570,584
Deductions:		
General Administration		14,687
Bond Principal		415,000
Bond Interest		125,678
Trustee Fees		300
Total Deductions		555,665
Net increase (decrease) in fiduciary net position		14,919
Net position-beginning		476,426
Net position-ending	$	491,345

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

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 City Council serves as the governing board of LURA and 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 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, 2020, ownership was (based on contributed capital): Fort Collins 50%, and Loveland 50%.

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

A. Reporting Entity (continued)

Financial Information

A summary of financial information is as follows:

As of December 31, 2020	
Total Current Assets	$ 3,099,946
Total Capital Assets (net of accumulated depreciation)	13,627,748
Total Assets	16,727,694
Total Current Liabilities	(136,094)
Total Net Position	**$ 16,591,600**
For the Year Ended December 31, 2020	
Total operating revenue	$ 1,276,780
Total operating expenses	(2,618,451)
Interest income	95,157
Capital contributions	657,141
Change in Net Position	**$ (589,373)**

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 will be jointly owned by the cities of Loveland and Fort Collins, Colorado. Ownership will be 50% for each City. The campus has completed construction in early 2021. There will be separately issued financial statements for this joint venture beginning year-end 2021.

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.

Note 1: Summary of Significant Accounting Policies (continued)

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

Government-Wide and Fund Financial Statements

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The City reports the following Major Governmental Funds:

1. General Fund: This is the City's primary operating fund. It accounts for all activities of the general government, except those required to be accounted for in another fund.
2. Loveland Urban Renewal Authority (LURA): This Special Revenue Fund accounts for tax increment financing and operating costs of the Authority.
3. Transportation Fund: This Special Revenue Fund is used to account for all revenues and costs to maintain the existing street infrastructure and the construction of new infrastructure. The primary funding sources are Highway User Tax Funds (HUTF) and other state revenue sharing, the Larimer County Road and Bridge tax revenue sharing, and the Transportation Utility Fee.
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 and the Loveland Rural Fire District.

Note 1: Summary of Significant Accounting Policies (continued)

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

6. Capital Projects Fund: This Fund accounts for the major capital improvements of the City. All revenues are transfers from other funds.

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. This fund was previously titled as the Refuse Fund.
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 in the governmental statements as a major fund even though this fund doesn't qualify as a major fund; the City believes this fund is particularly important to financial statement users and also to be consistent with prior year's reporting.

The City also reports Stormwater, 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.

Note 1: Summary of Significant Accounting Policies (continued)

C. Fair Value

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

D. Property Taxes and Sales Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in the subsequent year in two installments on February 28 and June 15, or in total on April 30. Property taxes are billed and collected by Larimer County, Colorado. Taxes for the following year are 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 2020 has been recorded in 2020. 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, 2020, the allowance for uncollectable accounts was $297,936. Revenue from grants and donations is recognized in the period in which all eligibility requirements have been satisfied.

G. Inventories

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

H. Capital Assets

All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated acquisition value on the acquisition date. The City's policy is to record all capital assets with an initial cost of at least $5,000. Interest costs are expensed as incurred and, therefore, not capitalized. The City developed a Capitalization Policy that defines the recording of capital assets in accordance with Generally Accepted Accounting Principles. The Capitalization Policy includes a physical inventory count of capital assets by fund and department in a three-year cycle and Federal Grant assets in a two-year cycle. In 2020, the three-year cycle of physical inventories included General Fund, Parks & Recreation Improvement, Larimer County Open Space, Art in Public Places, Water, Fleet, Facilities Management and the Capital Expansion Fee Funds..

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.

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

I. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and compensation time balances. All accumulated vacation 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.

J. 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.

K. 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 position 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

K. Deferred Outflows/Inflows of Resources(continued)

of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position 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.

L. 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.

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.

M. 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.

N. Reclassification

Certain accounts in prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

O. Adoption of New Accounting Pronouncements

The GASB has issued several statements not yet implemented by the City. City management has not yet determined the effect the Statements will have on the financial statements. However, the City intends to implement all standards by the required dates. The Standard which will impact the City is as follows:

GASB Statement No. 87*, Leases*, issued June 2017, originally effective December 31, 2020, though GASB has extended the implementation date and now will be effective for the City beginning with its fiscal year ending December 31, 2022. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. Under this statement, a government entity that is a lessee must recognize (1) a lease liability and (2) an intangible asset representing the lessee's right to use the leased asset. In addition, the City must recognize (1) amortization expense for using the asset over the shorter of the term of the lease or the useful life of the underlying asset, (2) interest expense on the lease liability and (3) note disclosures about the lease. The Statement provides exceptions from the single-approach for short-term leases, financial purchases, leases of assets that are investments and certain regulated leases. This statement also addresses accounting for lease terminations and modifications, sale-leaseback transactions, nonlease components embedded in lease contracts (such as service agreements), and leases with related parties.

Note 2: Cash and Investments

Cash and investments at December 31, 2020, consisted of the following:

Deposits	$ 139,700,096
Investments	$ 168,614,265
Total	$ 308,314,361

Deposits and investments are displayed within this report as follows:

Cash	$ 18,949
Equity in Pooled Cash and Cash Equivalents	47,895,285
Equity in Pooled Investments	128,633,229
Equity in Restricted Cash	91,454,902
Equity in Restricted Investments	39,821,966
Equity in Pooled Cash and Cash Equivalents - Fiduciary Fund	3,107
Equity in Restricted Cash Fiduciary Fund	327,853
Equity in Pooled Investments Fiduciary Fund	159,070
Total	$ 308,314,361

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 $72,231,707 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.

City of Loveland has invested $3,360 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, www.colotrust.com.

Note 2: Cash and Investments (continued)

B. Fair Value (continued)

The City has the following recurring fair value measurements as of December 31, 2020:

- U.S. Treasury securities of $40,384,227 are valued using quoted market prices (Level 1 inputs)
- U.S. Agency securities of $96,517,966 are valued using matrix pricing techniques (Level 2 inputs)
- Corporate Bonds of $18,709,267 are valued using matrix pricing techniques (Level 2 inputs)
- Municipal Bonds of $12,043,487 are valued using matrix pricing techniques (Level 2 inputs)

C. Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. The State banking commissioner regulates the eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2020, the City had $29,857,044 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
- Guaranteed investment contracts
- Local government investment pools

At December 31, 2020, the City had the following investments:

Investment Type *Governmental and Business-Type Activities*	Standard and Poor's Rating	Less than 1	1-3	4-5	Total
Certificates of Deposit	N/A	$ 958,413	$ -	$ -	958,413
U.S. Treasury Notes	N/A	14,869,622	5,227,562	20,248,945	40,346,129
U.S. Agency Securities	AA+	41,182,285	15,296,176	39,948,451	96,426,912
Corporate Bonds	AA-/A/A+/AA/AA+	9,904,613	8,787,003	-	18,691,616
Municipal Bonds	AA/AA+	3,177,883	3,793,573	5,060,669	12,032,125
Total		$ 70,092,816	$ 33,104,314	$ 65,258,065	$ 168,455,195
Fiduciary Funds					
Certificates of Deposit	N/A	905	-	-	905
U.S. Treasury Notes	N/A	14,041	4,936	19,121	38,098
U.S. Agency Securities	AA+	38,888	14,444	37,723	91,055
Corporate Bonds	AA-/A/A+/AA/AA+	9,353	8,297	-	17,650
Municipal Bonds	AA/AA+	3,001	3,582	4,779	11,362
Total		$ 66,188	$ 31,259	$ 61,623	$ 159,070

1. Local Government Investment Pools: At December 31, 2020, the City had $3,360 invested in Colotrust and $72,231,707 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

D. Investments (continued)

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.
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 statues 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 (23.95%), Federal Home Loan Bank (14.91%), Federal National Mortgage Association (14.82%), Federal Home Loan Mortgage Corporation (18.75%) and Federal Farm Credit Bank (8.77%).

E. Restricted Investments

Investments of $39,821,966 have been restricted in the Water Fund, Wastewater Fund and the Electric & Communications Fund for capital projects.

Note 3: Interfund Receivables, Payables, And Transfers

Interfund balances at December 31, 2020, were as follows:

Due From	Due To	Amount
Transportation Fund	General Fund	$ 364,218
Capital Projects	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, 2020
CEF Fund	Loveland Urban Renewal	$ 900,000	$ 293,982	$ 606,018
Electric & Communications Fund	Water Fund	6,000,000	5,250,000	750,000
CEF Fund	Loveland Urban Renewal	1,500,000	638,397	861,603
General Fund	Loveland Urban Renewal	63,100	28,298	34,802
CEF Fund	General Fund	1,700,000	775,047	924,953
Fleet Fund	General Fund	500,000	227,955	272,045
CEF Fund	Loveland Urban Renewal	$ 366,000	$ 73,135	$ 292,865

In 2013, City Council approved an Interfund Loan of $6,000,000 from Electric & Communications to Water to help fund the replacement of aging infrastructure. The loan will be paid back in annual installments from 2014 to 2021. The interest rate will be the same as the City's annual return on its investment portfolio. This interfund loan has been eliminated in the Statement of Net Position.

Water Fund Payment Schedule

	Beginning Balance	Principal	Interest	Total Payment
2021	750,000	750,000	16,418	766,418
Total		$ 750,000	$ 16,418	$ 766,418

*Interest rate will be adjusted annually based on the performance of the City's portfolio for the previous 12 months (same criteria as established in the City Charter Section 13.3(b) for interfund loans that involve utility funds)

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

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
2021	861,603	112,445	25,848	**138,293**
2022	749,158	115,818	22,475	**138,293**
2023	633,340	119,293	19,000	**138,293**
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	132,978	4,028	**137,005**
Total		**$ 861,603**	**$ 106,446**	**$ 968,048**

Loveland Urban Renewal Authority
Payment Schedule

	Beginning Balance	Principal	Interest	Total Payment
2021	34,802	4,542	1,044	**5,586**
2022	30,261	4,678	908	**5,586**
2023	25,582	4,819	767	**5,586**
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	5,423	163	**5,586**
Total		**$ 34,802**	**$ 4,300**	**$ 39,102**

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

Loveland Urban Renewal Authority Payment Schedule

	Beginning Balance	Principal	Interest	Total Payment
2021	606,018	79,089	18,181	**97,270**
2022	526,929	81,461	15,808	**97,270**
2023	445,467	83,906	13,364	**97,270**
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	94,437	2,833	**97,270**
Total	**$**	**606,018**	**$ 74,871**	**$ 680,890**

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 tax. 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.

Economic Incentive Fund Payment Schedule

	Beginning Balance	Principal	Interest	Total Payment
2021	1,196,998	219,010	35,910	**254,920**
2022	977,988	225,580	29,340	**254,920**
2023	752,408	232,348	22,572	**254,920**
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	**$**	**1,196,998**	**$ 112,873**	**$ 1,309,871**

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
2021	292,865	38,221	8,786	47,007
2022	254,644	39,367	7,639	47,006
2023	215,277	40,548	6,458	47,006
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		**$ 292,865**	**$ 36,181**	**$ 329,046**

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

Transfers between funds were as follows:

	Transfers In:								
	General	Capital Projects	Transportation	CEF's	Water	Stormwater	Loveland Fire Rescue Authority	Non-Major Governmental Funds	Total
Transfers Out:									
General	$ -	$ 3,253,637	$ 9,647,090	$ 545	$ 394	$ 500	$ 192	$ 550,000	$ 13,452,358
Capital Projects	153,815	-	173,805	-	-	-			327,620
Transportation	91,753	-	-	-	-	-			91,753
CEF's	72	5,583,456	6,675,589	-	-	-			12,259,117
Water	83,990	346,864	1,699	-	-	-			432,553
Wastewater	59,975	346,864	1,166	-	-	-			408,005
Electric & Communications	586,521	814,239	1,799	-	-	-			1,402,559
Stormwater	78,061	123,580	1,554	-	-	-			203,195
Solid Waste	-	337,996							337,996
Golf	3,124								3,124
Loveland Urban Renewal Authority	398,297								398,297
Non-Major Governmental Funds	153,000		28,652						181,652
Internal Services	4,940,000	1,402,405	-	-	-	-			6,342,405
	$ 6,548,608	$ 12,209,041	$ 16,531,354	$ 545	$ 394	$ 500	$ 192	$ 550,000	$ 35,840,634

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 $9,647,090 and the Capital Expansion Fees Fund transferred $6,675,589 to the Transportation Fund for various street capital projects throughout the City. The internal services funds transferred $4,900,000 to the General Fund for use only on one-time capital and to replenish the General Fund's 15% contingency.

Note 4: Capital Assets

Capital asset activity for the year ended December 31, 2020 was as follows:

Governmental Activities	Beginning Balance	Increases/ Transfers	Decreases/ Transfers	Ending Balance
Capital Assets, not being depreciated				
Land	$ 62,905,341	$ 924,916	$ -	$ 63,830,257
Easements	5,282,314	1,546,310	364	6,828,260
Water Rights	2,624,520	123,000	-	2,747,520
Art Collection	7,446,306	1,796,777	1,588,248	7,654,835
Construction in Progress	31,547,520	28,989,252	11,174,149	49,362,623
Total Capital Assets, not being depreciated	109,806,001	33,380,255	12,762,761	130,423,495
Capital Assets, being depreciated				
Buildings	102,146,507	4,924,506	751,204	106,319,809
Equipment	46,359,925	8,298,428	2,397,691	52,260,662
Improvements Other Than Buildings	57,200,710	7,590,305	19,373	64,771,642
Infrastructure	317,916,355	14,386,856	3,039,445	329,263,766
Total Capital Assets, being depreciated	523,623,497	35,200,095	6,207,713	552,615,879
Less accumulated depreciation for:				
Buildings	30,971,969	2,634,132	37,560	33,568,541
Equipment	29,373,944	4,913,365	2,258,710	32,028,599
Improvements Other Than Buildings	27,668,908	2,595,721	19,373	30,245,256
Infrastructure	115,744,548	10,657,669	3,039,445	123,362,772
Total Accumulated Depreciation	203,759,369	20,800,887	5,355,088	219,205,168
Total capital assets, being depreciated, net	319,864,128	14,399,208	852,625	333,410,711
Governmental activities capital assets, net	**$ 429,670,129**	**$ 47,779,463**	**$ 13,615,386**	**$ 463,834,206**

Business-type Activities	Beginning Balance	Increases/ Transfers	Decreases/ Transfers	Ending Balance
Capital Assets, not being depreciated				
Land	$ 14,949,341	$ 621	$ -	$ 14,949,962
Easements	26,448,264	6,134,379	48,923	32,533,720
Water Rights	76,308,542	1,461,108	-	77,769,650
Construction in Progress	38,294,660	35,857,586	15,991,043	58,161,203
Total Capital Assets, not being depreciated	$ 156,000,807	$ 43,453,694	$ 16,039,966	183,414,535
Capital Assets, being depreciated				
Buildings	30,906,861	869,435	-	31,776,296
Equipment	24,060,787	5,893,853	1,064,471	28,890,169
Improvements Other Than Buildings	184,284,310	2,637,179	1,718,226	185,203,263
Infrastructure	351,941,113	31,940,689	552,692	383,329,110
Total Capital Assets, being depreciated	$ 591,193,071	$ 41,341,156	$ 3,335,389	629,198,838
Less accumulated depreciation for:				
Buildings	6,782,762	818,628	-	7,601,390
Equipment	16,546,248	2,432,287	1,064,471	17,914,064
Improvements Other Than Buildings	62,083,054	4,478,642	1,104,723	65,456,973
Infrastructure	109,813,547	8,266,593	537,700	117,542,440
Total Accumulated Depreciation	$ 195,225,611	$ 15,996,150	$ 2,706,894	208,514,867
Total capital assets, being depreciated, net	395,967,460	25,345,006	628,495	420,683,971
Business-type activities capital assets, net	**$ 551,968,267**	**$ 68,798,700**	**$ 16,668,461**	**$ 604,098,506**

Note 4: Capital Assets (continued)

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

Governmental Activities		
Executive	$	2,949
Library		1,906,572
Finance		6,265
Information Technology		307,152
Development Services		2,843,168
Public Works		9,001,490
Police		640,547
Fire		993,737
Parks & Recreation		3,121,855
Cultural Services		270,026
Nondepartmental		124,377
Internal Service Fund		1,582,749
Total Governmental Activities	**$**	**20,800,887**

Business-Type Activities		
Water	$	3,941,780
Wastewater		3,517,777
Stormwater		1,377,883
Electric & Communications		6,012,874
Solid Waste		823,718
Golf		322,118
Total Business-Type Activities	**$**	**15,996,150**

Note 5: Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2020, was as follows:

	Balance 12/31/2019	Additions	Reductions	Balance 12/31/2020	Due Within One Year
Governmental Activities					
Capital Leases	$ 3,901,848	$ -	$ 240,794	$ 3,661,054	$ 249,438
Compensated Absences	4,947,553	3,481,311	2,676,308	5,752,556	3,163,906
Certificates of Participation	15,900,000	-	360,000	15,540,000	370,000
IGA for Apparatus Purchase	961,811	-	150,000	811,811	150,000
Pollution Remediation	-	520,000	-	520,000	115,000
Oversizing Agreements	1,554,023	-	373,874	1,180,149	268,580
Total	$ 27,265,235	$ 4,001,311	$ 3,800,976	$ 27,465,570	$ 4,316,924
Business-Type Activities					
Electric & Communication Bonds	85,015,000	-	-	85,015,000	-
Premium on Bonds	10,127,885	-	405,115	9,722,770	405,115
Direct Placement Debt:					
Water Bonds	$ 11,340,000	$ -	$ 660,000	$ 10,680,000	$ 680,000
Wastewater Bonds	24,235,000	-	690,000	23,545,000	715,000
ARO Liability-Hydro	2,500,000	-	767,978	1,732,022	1,732,022
ARO Liability-Solar	313,500	-	-	313,500	-
Compensated Absences	1,394,764	1,151,501	875,923	1,670,342	918,689
Oversizing Agreements	109,591	71,176	62,493	118,274	71,176
Total	$ 135,035,740	$ 1,222,677	$ 3,461,509	$ 132,796,908	$ 4,522,002

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
2021	370,000	523,670
2022	380,000	511,043
2023	400,000	497,991
2024	405,000	484,431
2025	425,000	470,532
2026-2030	2,335,000	2,125,615
2031-2032	11,225,000	557,570
Total	**$ 15,540,000**	**$ 5,170,852**

B. Water, Wastewater and Electric & Communication Bonds

In July 2013, the City Water Fund authorized revenue bonds in the amount of $10,000,000 for improvements to the Water Treatment Plant. The bonds had a flexible draw of proceeds beginning on the bond issuance date of July 17, 2013 through July 19, 2016. The bonds have a final maturity date of August 1, 2033 with the first principal payment of $450,000 paid on August 1, 2017. During 2013 there was a draw of $100,000 to pay for closing costs.

There were additional draws totaling $6,906,594 in 2015 and the remaining balance was drawn in 2016 totaling $2,993,406. The rate of interest on the bonds is 3.19% and interest payments began in February 2014. Principal payments are due annually beginning August 1 2017, and interest payments are due semi-annually on February 1 and August 1. The 2013 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 all gross revenues shall be paid into the Bond fund.

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 had a fixed draw of proceeds beginning on May 1, 2015 through December 1, 2015 in the amount of $400,000 per draw. 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% and interest payments began in August 2015. Principal payments are due annually beginning August 1 2017, and interest payments are due semi-annually on February 1 and August 1. 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 had a fixed draw of proceeds beginning on January 18, 2017 through August 1, 2018. The fixed draw for 2017 on the bonds totaled $550,000, and the spent amount for 2018 was $18,036,607. The remainder of $6,313,393 was expended in 2019. 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.

Interest payments began in August 2017. Principal payments are due annually beginning August 1 2019, and interest payments are due semi-annually on February 1 and August 1. 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 $85,015,000 is excluding the unamortized premium of $9,722,770. The bond premium received upon the issuance of the debt was $10,405,361 and $682,591 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.

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

The interest payments on the tax exempt bonds began on December 1, 2019 and are due semi-annually on June 1 and December 1. Principal payments are due annually beginning December 1, 2032. The interest payments on the taxable bonds began on December 1, 2019 and are due semi-annually on June 1 and December 1. 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.

	Principal				Interest			
Year	2013 Water Bond	2015 Water Bond	2017 Wastewater Bond	2019 Electric & Communications Bond	2013 Water Bond	2015 Water Bond	2017 Wastewater Bond	2019 Electric & Communications Bond
2021	$ 515,000	$ 165,000	$ 715,000	$ -	$ 258,709	$ 76,586	$ 941,214	$ 3,811,106
2022	530,000	170,000	4,050,000	-	242,281	71,669	915,665	3,811,106
2023	545,000	175,000	880,000	1,250,000	225,374	66,603	771,858	3,811,106
2024	565,000	180,000	920,000	2,630,000	207,988	61,388	735,690	3,775,431
2025	580,000	185,000	955,000	2,710,000	189,965	56,024	697,878	3,697,215
2026-2030	3,200,000	1,015,000	5,655,000	14,925,000	659,533	193,998	2,856,861	17,110,814
2031-2035	2,175,000	680,000	7,105,000	17,965,000	140,359	40,975	1,570,020	14,069,018
2036-2040	-		3,265,000	22,820,000	-	-	202,623	9,213,000
2041-2044	-	-	-	22,715,000	-	-	-	2,908,500
Total	**$ 8,110,000**	**$ 2,570,000**	**$ 23,545,000**	**$ 85,015,000**	**$ 1,924,209**	**$ 567,243**	**$ 8,691,809**	**$ 62,207,296**

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 and the Water Reclamation Facility. The City has issued revenue bonds which are outstanding through year end for the implementation of communication services for the City of Loveland.

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

	Amount Pledged	Term of Commitment
2013 Water Bond	$ 10,034,209	2033
2015 Water Bond	3,137,243	2033
2017 Wastewater Bond	32,236,809	2037
2019 Electric & Communications Bond	147,222,296	2044
	$ 192,630,557	

Note 5: Long-Term Liabilities (continued)

C. Capital Lease

The Loveland Fire Rescue Authority entered into a capital lease on March 30, 2018. This lease was entered into to fund the construction of Fire Station 7 and the purchase of Type 1 and Type 3 engines for Fire Station 7. The repayment schedule for the lease are semi-annual interest payments on June 1st and December 1st with the principal payments on December 1st. The rate of interest on the lease is 3.59% with a final maturity of June 1, 2033. Payments on this lease started on June 1, 2018.

Year	Principal	Interest
2021	249,438	131,432
2022	258,393	122,477
2023	267,669	113,201
2024	277,278	103,591
2025	287,233	93,637
2026-2030	1,598,444	305,905
2031-2034	722,599	39,140
Total	**$ 3,661,054**	**$ 909,383**

D. 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, 2020 is $3,015,000.

E. Intergovermental Agreement for Apparatus Purchase

In November 2016 an agreement was entered into between Loveland Fire Rescue Authority and Loveland Rural Fire Protection District for apparatus purchase for the Loveland Rural Fire Protection District. This agreement was for the purchase of one Type-3 fire engine and three 2,000 gallon fire tenders. The apparatus funding will be paid back over ten years with the final payment to be in 2026. The interest rate will be the same as the City's annual return on it's investment portfolio. The payments are due on June 15 of each year.

Year	Principal	Interest
2021	150,000	22,974
2022	150,000	18,729
2023	150,000	14,484
2024	150,000	13,568
2025	150,000	7,943
2026	61,811	2,318
Total	**$ 811,811**	**$ 80,016**

Note 5: Long-Term Liabilities (continued)

F. 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, 2020, the City had oversizing agreements for transportation, water, and wastewater. 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 two street oversizing improvement agreements that include interest payment requirements.

The City's Oversizing Developer Agreement Schedule at December 31, 2020 is as follows:

Project	Date of Contract	Orig Contract Amount	Jan 1, 2020 Balance	Contract Additions	Contract Payments	December 31, 2020 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
*Taft and 14th St. SW Intersection	2/6/07	358,706	128,706	-	80,000	48,706
Highway 34 @ Sculptor	4/13/07	1,154,569	291,968	-	120,000	171,968
Sculptor South of US 34	4/13/07	431,271	311,271	-	60,000	251,271
Thompson 2nd Subdivision	9/24/07	313,874	113,874	-	113,874	-
Street Oversizing Agreements		**$ 3,072,962**	**$ 1,554,023**	**$ -**	**$ 373,874**	**$ 1,180,149**
Millennium NW 11th Subdivision	5/17/2019	13,841	13,841	-	13,841	-
Parkside Village Second Sub	9/16/2019	47,098	47,098	-	-	47,098
Millennium SW 18th Subdivision	12/10/2020	52,745	-	52,745	-	52,745
Chilson-Stroh Farms 2nd Subdivision	11/3/2020	18,431	-	18,431	-	18,431
Water Oversizing Agreements		**$ 132,115**	**$ 60,939**	**$ 71,176**	**$ 13,841**	**$ 118,274**
Mountain Pacific 1st Subdivision	1/23/18	$ 48,652	$ 48,652	$ -	$ 48,652	$ -
Wastewater Oversizing Agreements		**$ 48,652**	**$ 48,652**	**$ -**	**$ 48,652**	$ -
TOTAL DEVELOPER AGREEMENTS		**$ 3,253,729**	**$ 1,663,614**	**$ 71,176**	**$ 436,367**	**$ 1,298,423**

**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.

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. It is expected that the obligation can be repaid within 10 years.

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 revenues received were $1,031 leaving an ending fund balance of $50,414.

Note 8: Commitments And Contingencies

A. Risk Management

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 2020, 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 2020-2021 renewal period (7/01/2020 through 6/30/2021) 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.

Note 8: Commitments And Contingencies (continued)

A. Risk Management (continued)

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 $14,280,158 in net position for employee benefit claims. Short-term Disability is managed by an Administrative Services Only agreement; Short-term Disability wages are paid by the City. Long-term Disability and Life Insurance coverage are purchased through premiums paid to insurance companies.

The Risk & Insurance Fund provides protection against losses involving City property, equipment, liability, workers' compensation, environmental issues and unemployment. 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 $5,638,486 in net position for property casualty losses. The combined net position of the Risk & Insurance Fund and Employee Benefits Fund, available to cover catastrophic losses, totals $19,918,644.

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

Description	December 31, 2020	December 31, 2019
Unpaid Claims - Beginning	$ 1,392,939	$ 1,678,116
Incurred Claims (includes IBNR's)	9,598,470	9,443,778
Claims Paid	(9,661,311)	(9,728,955)
Unpaid Claims Ending	**$ 1,330,098**	**$ 1,392,939**

B. Construction Commitments

At December 31, 2020 the City had several construction projects in process. The most significant of these are as follows:

Project	Budget	Cost to date
Muni-Fiber	$ 75,931,060	$ 23,783,931
Chimney Hollow Reservoir	$ 63,751,997	$ 6,953,578
Wastewater Treatment Plant Expansion	$ 40,983,134	$ 40,326,026
Police Training Campus	$ 18,311,476	$ 16,933,720

Note 8: Commitments And Contingencies (continued)

C. Contingent Liabilities

Pending Litigation

At this time, the City is a defendant in a federal civil rights case. The City is insured through the Colorado Intergovernmental Risk Sharing Agency to assist in the defense and costs related to this 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 Pension Management Associates and ICMA. 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 Great West Life & Annuity Insurance Company. City contributions vest with the employees after three years of employment.

Contribution requirements and amounts contributed during 2020 are as follows:

	Police Officers	Firefighters	Non-uniformed Employees
Required Contribution Rate			
Employer	10%	10%	5% - 9%
Employee	10%	10%	3%
Amounts Contributed			
Employer	$ 1,017,506	$ 761,770	$ 2,712,869
Employee	1,017,506	761,770	1,253,233
Total	$ 2,035,012	$ 1,523,540	$ 3,966,102

Note 9: Retirement Commitments (continued)

B. Defined Benefit Plans

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

Loveland and Rural Consolidated Volunteer Firefighters

1. Plan Description:

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

2. Benefits Provided:

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

As of January 1, 2019, the most recent actuarial valuation date, the plan was 63.08% funded. The membership of the Loveland and Rural Consolidated Volunteer Firefighters Pension Plan is:

Retirees and Beneficiaries	65
Inactive, Nonretired Members	2
Active Members	0
Total Members	67

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, 2020 is:

Total Pension Liability	$	3,916,993
Plan Fiduciary Net Position		2,470,987
Net Pension Liability	$	1,446,006

Note 9: Retirement Commitments (continued)

B. Defined Benefit Plans (continued)

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Beginning Balance	$ 4,061,810	$ 2,445,077	$ 1,616,733
Changes for the Year			
Service Cost	-	-	-
Interest	270,052	-	270,052
Difference between expected and actual experience of the Total Pension Liability		-	-
Contributions - Employer	-	123,400	(123,400)
Net Investment Income	-	334,026	(334,026)
Benefit Payments, Including Refunds	(414,869)	(414,869)	-
Administrative Expense	-	(16,647)	16,647
Net Changes	(144,817)	25,910	(170,727)
Ending Balance as of 12/31/20	$ 3,916,993	$ 2,470,987	$ 1,446,006

At December 31, 2020, 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	$ -	$ (81,612)
Employer contributions to the plan subsequent to the measurement date	101,700	-
Total	$ 101,700	$ (81,612)

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:

2021	$(18,790)
2022	(31,391)
2023	3,265
2024	(34,696)
2025	-
Total	$(81,612)

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, 2019 for the measurement period ending December 31, 2019. 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, 2020, 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, 2019 measurement date. The December 31, 2019, total pension liability was determined by an actuarial valuation as of January 1, 2019, which used updated procedures to roll forward the estimated liability to December 31, 2019.

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 market
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	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 Annunitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years. Disabled 2006 central rates from the RP-2014 Disabled Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

[1]Plans 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 Rate2	2.75%

The last year ending December 31 in the 2020 to 2119 projection period for which projected benefit payments are fully funded is year 2118.

[2]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, 2019 ." In describing this index, Fidelity notes that the municipal curves are constructed using option-adjusted analytics of a diverse population of over 10,000 taxexempt securities.

Note 9: Retirement Commitments (continued)

B. Defined Benefit Plans (continued)

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

1% Decrease to 6.0%	$ 1,772,982
Current Single Discount Rate Assumption of 7.0%	$ 1,446,006
1% Increase to 8.0%	$ 1,164,216

8. Long Term Expected Rate of Return:

Asset Class	Target Allocation	Long Term Expected Rate of Return
Global Equity	38%	7.00%
Equity Long/Short	8%	6.00%
Private Capital	25%	9.20%
Fixed Income	15%	5.20%
Absolute Return	8%	5.50%
Managed Futures	4%	5.00%
Cash	2%	2.52%
Total	100%	6.91%

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Plans target asset allocation as of December 31, 2019, 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, 2020, $827,466 is available for these purposes. Of that amount, $827,466 is budgeted to be spent in 2021.

The City has established an Emergency Reserve, representing 3% of qualifying expenditures, as required by the amendment. At December 31, 2020, the emergency reserve of $2,878,245 as reported as a restriction of fund balance in the General Fund.

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

The following table shows revenue and growth items applicable to the revenue limit for 2020.

Actual revenue	$ 95,941,496		CPI increase	1.95%
Base revenue	103,030,904		Growth increase	1.05%
Surplus/(Deficit)	**$ (7,089,408)**		**Total increase allowed**	**3.00%**

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.

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. Even during the most significant economic event, the City has not used this stabilization balance. The balance as of December 31, 2020 is $13,419,684.

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	Trans-portation	Capital Expansion Fees	Loveland Fire & Rescue Authority	Capital Projects	Other Governmental Funds	Total Governmental Funds
Nonspendable:								
Inventory	-	-	$ 532,779	-	-	-	$ 20,580	$ 553,359
Interfund Loan Receivable	34,802	-	-	-	-	-	-	34,802
Permanent Fund	-	-	-	-	-	-	3,482,654	3,482,654
Total Nonspendable	**34,802**	**-**	**532,779**	**-**	**-**	**-**	**3,503,234**	**4,070,815**
Restricted								
Tabor 3% Emergency Reserve	2,878,245	-	-	-	-	-	-	2,878,245
Reserve for Excess Tabor	827,466	-	-	-	-	-	-	827,466
Urban Revitalization	-	1,454,625	-	-	-	-	491,241	1,945,866
Parks & Recreation	13,000	-	-	-	-	-	5,825,798	5,838,798
Open Space Acquisitions	-	-	-	-	-	-	11,106,915	11,106,915
Law Enforcement	-	-	-	-	-	-	50,414	50,414
Fire & Rescue	-	-	-	-	7,406,621	-	-	7,406,621
Conventions & Tourism	-	-	-	-	-	-	365,400	365,400
Museum Programs	690,271	-	-	-	-	-	-	690,271
Downtown Maintenance	-	-	-	-	-	-	221,344	221,344
Police Donations	206,624	-	-	-	-	-	-	206,624
Library Books	267,778	-	-	-	-	-	-	267,778
Total Restricted	**4,883,384**	**1,454,625**	**-**	**-**	**7,406,621**	**-**	**18,061,112**	**31,805,742**
Committed:								
Future Capital Improvements	-	-	-	29,424,678	-	-	-	29,424,678
Interfund Loan Receivable	-	-	-	2,685,438	-	-	-	2,685,438
Art in Public Places	812,088	-	-	-	-	-	-	812,088
Public Education	-	-	-	-	-	-	392,851	392,851
Affordable Housing Agreements	-	-	-	-	-	-	764,359	764,359
Total Committed	**812,088**	**-**	**-**	**32,110,116**	**-**	**-**	**1,157,210**	**34,079,414**
Assigned								
Parks Capital Improvements	-	-	-	-	-	-	1,042,835	1,042,835
Fiber Network	-	-	-	-	-	-	414,079	414,079
Total Assigned	**-**	**-**	**-**	**-**	**-**	**-**	**1,456,914**	**1,456,914**
Unassigned:	**27,750,485**	**-**	**(532,779)**	**-**	**-**	**(1,439,858)**	**-**	**25,777,848**
Total Fund Balances	**$ 33,480,759**	**$ 1,454,625**	**$ -**	**$ 32,110,116**	**$ 7,406,621**	**$ (1,439,858)**	**$ 24,178,470**	**$ 97,190,733**

Note 12: Tax Abatement

Loveland City Council adopted the current Incentive Policy in October of 2017. 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 broad 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 all of the incentives in place for 2020:

Note 12: Tax Abatement (continued)

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 to be 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 $38,711.

Value Plastics, Inc (dba Nordson Medical)

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 taxes 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 initial agreement terms were fulfilled in 2014 and 2015. The final outstanding 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. As of 12/31/2020, the City has issued three of the five annual payments of BPPT rebates.

LFS Loveland, LLC and LEED Fabrication Services, Inc

The company constructed a new building at 5100 Boyd Lake Avenue, which required public roadway improvements. The City Council approved an agreement in July 2013 that waived certain building permit fees and materials use taxes totaling $75,000. The agreement also approved a deferral of the cash-in-lieu payment estimated in 2013 to be $331,782 for the roadway improvements. The five-year deferral period ended July 2018. It could be extended for an additional five-year period but no later than December 31, 2023. The City granted a series of extensions with the last extension ending August 27, 2018. The cash-in-lieu payment is in default, and the City Attorney's Office with Economic Development is considering options for collection.

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 final outstanding 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 total amount of the BPPT rebate is $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 12/31/2020 the City has issued $65,316.12 in BPPT rebates.

Evergreen/Thornton Long Term Investments, LLC (Sprouts Farmers Market 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 (project sales taxes), over 10 years, that is equal to the incentive amount plus 3% ($254, 920 annually). The developer pays the difference if the project sales taxes fall below the minimum guarantee. The 10-year guarantee period started July 1, 2016 and the City has not had to exercise the guarantee provision with Evergreen. In September 2017, Evergreen Development sold the Sprouts Farmers Market property, which triggered the net proceeds provision in the agreement. The City received 40% of the sales proceeds ($307,000). After the sale, Evergreen continues to maintain the revenue guarantee.

Note 12: Tax Abatement (continued)

Esh's Surplus Market

The company purchased property and built a new facility to house a grocery store, warehouse and corporate headquarters. In the June 2015 incentive agreement, the City agreed to waive construction materials use tax in an amount not to exceed $50,000 and deferred Capital Expansion fees for a period of 5 years. The deferred fees are capped at $200,000 and the deferral period commenced on July 1, 2016 and expires on July 1, 2021. The agreement details the payment schedule: Year 1 - $20,000; Year 2 - $30,000; Year 3 - $40,000; Year 4 - $50,000; Year 5 - $60,000. The City has received the first four payments on time. The final payment (Year 5) is due in 2021.

The Foundry Loveland, LLC (The Foundry downtown Project)

The Foundry project is a $75 million redevelopment of 2 1/2 blocks in downtown Loveland. The financial package negotiated by the City and Brinkman Partners is a blend of public and private investment that includes an agreement approved in December 2016 to reimbursement the developer in an amount not to exceed $17,676,367 for construction of a public plaza and a city owned parking garage. A July 2018 amendment to the agreement approved an additional amount of $477,647 for project improvements. The grand opening of The Foundry occurred in August 2019. An outstanding incentive term from the 2016 agreement 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 of $200,000 plus 2% for 10 years with the second annual payment issued in 2020.

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, the Council approved an incentive agreement. Retailers who qualify as anchor or junior anchor tenants would be eligible for a waiver of building permit fees and materials use taxes in a combined amount not to exceed $6.60 per square foot through 2021. The agreement also includes a city sales tax rebate to the developer for a period of 25 years or 2047, which ever is earlier. The rebate amount is 66.6% of each 3 cents of city sales tax collected for anchor tenants for the life of the agreement. For junior anchors, the rebate amount is 66.6% of each 3 cents collected for years 1 through 15 and 41.6% of each 3 cents collected for years 16 through 25. For other, non-anchor retailers the rebate is 41.6% for each 3 cents collected for the life of the agreement. As of December 31, 2020, no projects have qualified for the building permit fee and material use tax waivers. One project came on-line in 2019 that qualifies for the non-anchor/other retailer sales tax rebate to the developer.

Intellivation, LLC

Intellivation is building a new facility in Loveland and will relocate existing Northern Colorado employees and add 18 new jobs over a five-year period. The City Manager approved an incentive agreement in August 2018 in accordance with Municipal Code Section 3.04.090. The City agrees to reimburse certain city building permit fees and materials use tax in a combined total not to exceed $30,000. The reimbursement will occur after the company has obtained a certificate of occupancy issued by the City. In June 2019, City Council approved an amended agreement to reimburse the Company for fees not to exceed $75,000 due to the project's cost increases. The project received a certificate of occupancy in 2020 and the full $75,000 incentive was paid in August, 2020.

Tharp Cabinet Company LP

The company relocated to a larger site in Loveland allowing Tharp to expand its operations and improve manufacturing efficiencies. The incentive, approved in September 2018, is for $250,000 to assist with the move to the new location. The incentive will be paid in two installments of $125,000 each. The incentive payment is conditioned on issuance of a certificate of occupancy and proof of a purchase agreement for the property. Both conditions were met and the first payment was issued in October 2019. Per the terms of the incentive agreement the final incentive payment of $125,000 was issued at the six-month anniversary date of the issuance of the certificate of occupancy in March 2020.

Note 12: Tax Abatement (continued)

Tri-Point Oil & Gas Production Systems, LLC

The company produces industrial separators used in oil and gas extraction. They plan to consolidate operations in Loveland with an expansion of their existing manufacturing facility at 5100 Boyd Lake Avenue and move the point of sale for existing products to Loveland. Tri-Point plans to add 25 new jobs per year for five years. City Council approved an agreement in February 2019 for a waiver of building permit and materials use tax not to exceed $64,251.66 and a rebate of city sales tax. The rebate is for a 60 month period with a cap of $4 million. The rebate for the first 12-month period is calculated at 1/3 of the 3% City sales tax collected. The rebate for the remaining 48-month period is at 1/6 of the 3% city sales tax collected. Payments are made annually at the end of the rebate period. The agreement includes early rebate conditions that were not met as of 12/31/2019. The general rebate conditions must be met on or before June 30, 2020 before any rebate payments occur. The building expansion project was not completed per the terms of the agreement and the agreement terminated. No sales tax rebate payments were issued by the City.

Complete Solution Robotics

The company specializes in building custom robotic solutions for customers throughout the United States. They are building two new 20,000 square foot manufacturing facilities in the Longview Midway Business Park. The company plans to expand production and offer bays for sale or lease while adding 18 employees over the next five years. In June 2019, City Council awarded a cash incentive of $75,000 to reimburse CSR for select building permit fees and City use tax. The reimbursement payment occurs after CSR obtains a certificate of occupancy. The project has commenced and it's anticipated to be completed in 2020. The business owner terminated the project plans in May 2020 due to the impacts of the COVID pandemic. No cash incentives were paid to owner.

4th & Garfield, LLC

The project is a three story, 20,000 square foot mixed-use infill development located at the northeast corner of 4th and Garfield Avenue in downtown Loveland. City Council approved an agreement in July 2019 for an incentive package of $625,000 from the Downtown Development Authority (DDA) for eligible public improvements plus a $50,000 waiver of materials use tax from the City. The agreement states the developer will obtain necessary permits and commence construction prior to December 31, 2019. The Fourth Amendment to the agreement, dated December 31, 2020, extended the certificate of occupancy date to June 30, 2022 and the commence construction date to June 30, 2021. No payments for eligible public improvements or waivers of materials use tax were issued in 2020.

JAX, Inc.

The business assistance agreement, approved by City Council in March 2020, provides 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. The rebate is conditioned on submitting building permits no later than six months from the agreement date and completing construction no later than 12-31-2021. Jax achieved the agreement terms and opened in August 2020. The first sales tax rebate payment will be paid 12 months from the date of the certificate of occupancy and annual thereafter capped at $1,500,000 or 10 years.

Metropolitan Theatres Corporation (Metrolux 14 Theatres)

City Council approved a business assistance agreement in August 2020 in support of the Metropolitan Theatres Corporation 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 construction use tax not to exceed $50,000 combined and includes a graduated repayment schedule of the cash incentive if IMAX does not remain in business for four years following the certificate of occupancy. The agreement terms state the certificate of occupancy should be obtained by December 31, 2022 and the date may be extended by the City Manager.

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 sixteen and one half years. The City of Loveland depreciates assets using a mid-year convention, the solar panels have been in service for three 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 31,2020 was $520,000 of which $115,000 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 leaking underground storage tanks. 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 costs are estimated to be $65,000 in 2021 and $120,000 in subsequent years. 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 at the Pulliam Building. The City will conduct asbestos abatement. The costs are estimated to be $175,000 at a date to be determined. Costs are estimated by averaging the low and high estimate for the site.

Note 15: Subsequent Events

New LFRA Debt

On April 9, 2021 the Loveland Fire Rescue Authority issued a lease purchase agreement for $11,365,000 to pay off the capital lease funding the construction of Fire Station 7 and the purchase of Type 1 and Type 3 engines for that station. The lease purchase agreement will also fund the construction of Fire Station 10.

On March 11, 2021 the American Rescue Plan Act was signed by President Biden. The City is expecting an award of approximately $9.5 million. The City should receive half of the award in May 2021 and the other half in May 2022.



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, 2020

	Budgeted Amounts (unaudited)			Difference with Final
	Original	Final	Actual	Budget
Revenues:				
Taxes	$ 71,638,385	$ 71,638,385	$ 70,516,533	$ (1,121,852)
Licenses and Permits	3,509,037	3,509,037	3,581,928	72,891
Fines and Penalties	947,266	947,266	1,003,433	56,167
Intergovernmental	1,604,059	4,979,523	4,150,807	(828,716)
Charges for Services	4,668,492	4,716,739	2,571,077	(2,145,662)
Investment Earnings (Loss)	657,142	657,142	142,743	(514,399)
Payment in Lieu of Taxes	8,152,598	8,152,598	8,132,827	(19,771)
Contributions	14,300	14,300	200,338	186,038
Miscellaneous	1,065,254	1,337,560	1,469,126	131,566
Total Revenues	**92,256,533**	**95,952,550**	**91,768,812**	**(4,183,738)**
Expenditures:				
Current:				
Legislative	136,932	136,932	142,847	(5,915)
City Manager	1,786,035	1,940,416	1,746,184	194,232
City Attorney	1,415,613	1,315,052	1,243,257	71,795
City Clerk	726,802	806,564	740,762	65,802
Municipal Court	714,505	684,153	676,200	7,953
Finance	5,939,467	5,655,624	5,704,161	(48,537)
Human Resources	1,842,159	1,496,067	1,430,180	65,887
Information Technology	4,524,399	4,343,338	4,432,389	(89,051)
Economic Development	1,502,673	2,286,978	1,917,488	369,490
Development Services	2,993,099	2,759,711	2,802,537	(42,826)
Public Works	8,343,937	8,371,746	8,175,423	196,323
Police	25,386,855	25,170,914	24,725,125	445,789
Parks & Recreation	9,738,367	9,093,836	8,632,531	461,305
Library	3,247,935	3,086,179	2,855,153	231,026
Cultural Services	2,147,732	2,177,476	1,848,099	329,377
General Government	7,920,259	7,784,806	8,730,943	(946,137)
Capital Outlay	3,213,743	6,436,975	2,549,268	3,887,707
Debt Service				
Principal	360,000	510,000	510,000	-
Interest and debt service costs	792,380	793,880	581,248	212,632
Total Expenditures	**82,732,892**	**84,850,647**	**79,443,795**	**5,406,852**
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,523,641	11,101,903	12,325,017	1,223,114
Other Financing Sources (Uses):				
Transfers In	5,971,671	8,032,049	6,548,608	(1,483,441)
Transfers (Out)	(15,858,176)	(23,784,531)	(13,452,358)	10,332,173
Total Other Financing Sources (Uses)	**(9,886,505)**	**(15,752,482)**	**(6,903,750)**	**8,848,732**
Net Change in Fund Balance	(362,864)	(4,650,579)	5,421,267	10,071,846
Fund Balance--Beginning	**28,059,492**	**28,059,492**	**28,059,492**	**-**
Fund Balance--Ending	**$ 27,696,628**	**$ 23,408,913**	**$ 33,480,759**	**$ 10,071,846**

See accompanying independent auditors' report.

City of Loveland, Colorado
Loveland Urban Renewal Authority
Budgetary Comparison Schedule
For the Year Ended December 31, 2020

	Budgeted Amounts (unaudited)			Difference with Final
	Original	Final	Actual	Budget
Revenues:				
Taxes	$ 15,144,100	$ 15,944,100	$ 17,387,039	$ 1,442,939
Charges for Services	995,000	995,000	-	(995,000)
Investment Earnings (Loss)	20,250	20,250	76,159	55,909
Miscellaneous	-	-	450,014	450,014
Total Revenues	**16,159,350**	**16,959,350**	**17,913,212**	**953,862**
Expenditures:				
Current:				
Services	1,040,624	1,094,239	159,015	935,224
School District Fund	995,000	1,470,000	2,377,766	(907,766)
Distribution of Tax Increment Financing	13,750,000	14,075,000	14,110,478	(35,478)
Principal	264,590	264,590	-	264,590
Interest and debt service costs	70,590	70,590	60,683	9,907
Total Expenditures	**16,120,804**	**16,974,419**	**16,707,942**	**266,477**
Excess (Deficiency) of Revenues Over (Under) Expenditures	38,546	(15,069)	1,205,270	1,220,339
Other Financing Sources (Uses):				
Transfers (Out)	(51,345)	(429,187)	(398,297)	30,890
Total Other Financing Sources (Uses)	**(51,345)**	**(429,187)**	**(398,297)**	**30,890**
Net Change in Fund Balance	(12,799)	(444,256)	806,973	1,251,229
Fund Balance--Beginning	**647,652**	**647,652**	**647,652**	**-**
Fund Balance--Ending	**$ 634,853**	**$ 203,396**	**$ 1,454,625**	**$ 1,251,229**

See accompanying independent auditors' report.

City of Loveland, Colorado
Transportation
Budgetary Comparison Schedule
For the Year Ended December 31, 2020

	Budgeted Amounts (unaudited)			Difference with Final
	Original	Final	Actual	Budget
Revenues:				
Taxes	$ 29,800	$ 29,800	$ 88,786	$ 58,986
Licenses and Permits	238,000	238,000	174,203	(63,797)
Intergovernmental	4,626,706	12,295,556	6,895,348	(5,400,208)
Charges for Services	3,159,703	3,159,703	3,429,911	270,208
Investment Earnings (Loss)	-	-	55,041	55,041
Miscellaneous	159,620	159,620	93,429	(66,191)
Total Revenues	**8,213,829**	**15,882,679**	**10,736,718**	**(5,145,961)**
Expenditures:				
Current:				
Public Works	10,257,305	13,241,570	12,301,532	940,038
Capital Outlay	12,795,078	25,906,662	14,874,787	11,031,875
Total Expenditures	**23,052,383**	**39,148,232**	**27,176,319**	**11,971,913**
Excess (Deficiency) of Revenues Over (Under) Expenditures	(14,838,554)	(23,265,553)	(16,439,601)	6,825,952
Other Financing Sources (Uses):				
Transfers In	15,084,715	23,450,281	16,531,354	(6,918,927)
Transfers (Out)	(246,162)	(239,363)	(91,753)	147,610
Total Other Financing Sources (Uses)	**14,838,553**	**23,210,918**	**16,439,601**	**(6,771,317)**
Net Change in Fund Balance	(1)	(54,635)	-	54,635
Fund Balance--Beginning	**-**	**-**	**-**	**-**
Fund Balance--Ending	**$ (1)**	**$ (54,635)**	**$ -**	**$ 54,635**

See accompanying independent auditors' report.

City of Loveland, Colorado
Loveland Fire Rescue Authority
Budgetary Comparison Schedule
For the Year Ended December 31, 2020

	Budgeted Amounts (unaudited)			Difference with Final
	Original	Final	Actual	Budget
Revenues:				
Licenses and Permits	$ 199,350	$ 199,350	$ 146,636	$ (52,714)
Intergovernmental	17,173,846	16,811,100	17,334,935	523,835
Charges for Services	1,128,607	1,128,607	1,689,420	560,813
Investment Earnings (Loss)	45,000	45,000	180,682	135,682
Miscellaneous	2,041,017	2,053,637	2,073,703	20,066
Total Revenues	**20,587,820**	**20,237,694**	**21,425,376**	**1,187,682**
Expenditures:				
Current:				
Fire	19,056,647	20,410,047	18,427,368	1,982,679
Capital Outlay	960,031	3,210,700	2,033,795	1,176,905
Principal	233,000	233,000	240,794	(7,794)
Interest and debt service costs	150,000	150,000	142,352	7,648
Total Expenditures	**20,399,678**	**24,003,747**	**20,844,309**	**3,159,438**
Excess (Deficiency) of Revenues Over (Under) Expenditures	188,142	(3,766,053)	581,067	4,347,120
Other Financing Sources (Uses):				
Transfers In	-	-	192	192
Total Other Financing Sources (Uses)	**-**	**-**	**192**	**192**
Net Change in Fund Balance	188,142	(3,766,053)	581,259	4,347,312
Fund Balance--Beginning	**6,825,362**	**6,825,362**	**6,825,362**	**-**
Fund Balance--Ending	**$ 7,013,504**	**$ 3,059,309**	**$ 7,406,621**	**$ 4,347,312**

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*	Contribution Deficiency (Excess)
2020	$ 117,230	$ 126,801	(9,571)
2019	114,327	123,400	(9,073)
2018	114,327	173,178	(58,851)
2017	74,032	101,670	(27,638)
2016	74,032	177,764	(103,732)
2015	76,423	188,023	(111,600)
2014	76,423	182,799	(106,376)
2013	182,766	182,799	(33)
2012	162,636	182,799	(20,163)
2011	162,636	198,381	(35,745)

*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,	2020	2019	2018
Measurement period ending December 31,	2019	2018	2017
Total Pension Liability			
Service Cost	$ -	$ -	$ -
Interest on the Total Pension Liability	270,052	275,919	284,838
Benefit Changes	-		-
Difference between Expected and Actual Experience	-	188,728	-
Assumption Changes	-	126,564	-
Benefit Payments	(414,869)	(409,231)	(398,494)
Net Change in Total Pension Liability	(144,817)	181,980	(113,656)
Total Pension Liability - Beginning	4,061,810	3,879,830	3,993,486
Total Pension Liability - Ending (a)	3,916,993	4,061,810	3,879,830
Plan Fiduciary Net Position			
Employer Contributions	123,400		101,670
Pension Plan Net Investment Income	334,026	2,940	360,131
Benefit Payments	(414,869)	(409,231)	(398,494)
Pension Plan Administrative Expense	(16,647)	(14,627)	(14,890)
State of Colorado Supplemental Discretionary Payment	-	173,178	-
Net Change in Plan Fiduciary Net Position	25,910	(247,740)	48,417
Plan Fiduciary Net Position - Beginning	2,445,077	2,692,817	2,644,400
Plan Fiduciary Net Position - Ending (b)	2,470,987	2,445,077	2,692,817
Net Pension Liability - Ending (a) - (b)	$ 1,446,006	$ 1,616,733	$ 1,187,013
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	63.08%	60.20%	69.41%
Covered Payroll	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Payroll	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 six years information is presented.

2017	2016	2015
2016	2015	2014
$ 7,212	$ 7,212	$ 9,256
251,537	260,183	248,058
259,856	-	274,064
173,817	-	1,626
152,811	-	0
(396,888)	(368,980)	(371,640)
448,345	(101,585)	161,364
3,545,141	3,646,726	3,485,362
3,993,486	3,545,141	3,646,726
91,175	101,434	96,210
133,811	51,437	183,273
(396,888)	(368,980)	(371,640)
(4,314)	(6,397)	(4,607)
86,589	86,589	86,589
(89,627)	(135,917)	(10,175)
2,734,027	2,869,944	2,880,119
2,644,400	2,734,027	2,869,944
$ 1,349,086	$ 811,114	$ 776,782
66.22%	77.12%	78.70%
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.
- Supplemental appropriations are approved on an individual fund level basis. Supplemental appropriations of $246,996,579 were approved during 2020 - of which $86,638,425 was approved for the Municipal Fiber Debt Service Funds. 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.

  The Budgetary Comparison Schedules for the General Fund and the Transportation Fund show that actual revenues are greatly below budgeted amounts due to the COVID pandemic and actual expenditures are greatly reduced due to cost savings measures implimented by City Council, due to the COVID pandemic.
- All appropriations lapse at year-end per State statutes except for grants and capital projects. This change was adopted by the City of Loveland Council in 2019. Any capital or grant project with available budget is eligible for rollover into the next fiscal year.
- The Capital Projects fund had a deficit fund balance due to the timing on receipt of grant revenue. This grant revenue will be received in 2021.
- The Transportation fund had a deficit budget to record CARES Act expenditures.
- The Loveland/Larimer Building Authority had a deficit budget to record CARES Act expenditures.
- 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, 2020

	Budgeted Amounts (unaudited)			Difference with Final
	Original	Final	Actual	Budget
Revenues:				
Intergovernmental	$ -	$ -	$ 880,000	$ 880,000
Charges for Services	7,009,018	7,009,018	10,539,628	3,530,610
Investment Earnings (Loss)	307,378	307,378	443,506	136,128
Miscellaneous	452,046	452,046	124,908	(327,138)
Total Revenues	**7,768,442**	**7,768,442**	**11,988,042**	**4,219,600**
Expenditures				
Police	-	158,690	158,689	1
Parks & Recreation	56,717	56,717	64,911	(8,194)
Capital Outlay	4,200,300	5,116,490	428,860	4,687,630
Total Expenditures	**4,257,017**	**5,331,897**	**652,460**	**4,679,437**
Excess (deficiency) of revenues over (under) expenditures	3,511,425	2,436,545	11,335,582	8,899,037
Other Financing Sources (Uses):				
Transfers In	-	-	545	545
Transfers (Out)	(3,212,788)	(13,923,109)	(12,259,117)	1,663,992
Total Other Financing Sources (Uses)	**(3,212,788)**	**(13,923,109)**	**(12,258,572)**	**1,664,537**
Net Change in Fund Balance	298,637	(11,486,564)	(922,990)	10,563,574
Fund Balance--Beginning	**33,033,106**	**33,033,106**	**33,033,106**	**-**
Fund Balance--Ending	**$ 33,331,743**	**$ 21,546,542**	**$ 32,110,116**	**$ 10,563,574**

See accompanying independent auditors' report.

City of Loveland, Colorado
Capital Project Funds
Budgetary Comparison Schedule
For the Year Ended December 31, 2020

	Budgeted Amounts (unaudited)			Difference with Final
	Original	Final	Actual	Budget
Revenues:				
Intergovernmental	$ -	$ 1,984,183	$ 22,574	$ (1,961,609)
Investment Earnings (Loss)	-	-	(200,012)	(200,012)
Contributions	-	-	5,665,214	5,665,214
Miscellaneous	500,000	6,943,452	500,000	(6,443,452)
Total Revenues	**500,000**	**8,927,635**	**5,987,776**	**(2,939,859)**
Expenditures				
Information Technology	-	3,652,316	1,983,731	1,668,585
Public Works	-	-	78,965	(78,965)
Police	-	281,919	287,039	(5,120)
Parks & Recreation	-	65,512	75,876	(10,364)
Capital Outlay	3,244,739	25,123,100	18,397,655	6,725,445
Total Expenditures	**3,244,739**	**29,122,847**	**20,823,266**	**8,299,581**
Excess (deficiency) of revenues over (under) expenditures	(2,744,739)	(20,195,212)	(14,835,490)	5,359,722
Other Financing Sources (Uses):				
Transfers In	2,779,739	18,426,810	12,209,041	(6,217,769)
Transfers (Out)	(35,000)	(289,143)	(327,620)	(38,477)
Total Other Financing Sources (Uses)	**2,744,739**	**18,137,667**	**11,881,421**	**(6,256,246)**
Net Change in Fund Balance	-	(2,057,545)	(2,954,069)	(896,524)
Fund Balance--Beginning	**1,514,211**	**1,514,211**	**1,514,211**	**-**
Fund Balance--Ending	**$ 1,514,211**	**$ (543,334)**	**$ (1,439,858)**	**$ (896,524)**

See accompanying independent auditors' report.

Non-Major Government Funds

CAPITAL PROJECTS FUND

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.

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.

COMMUNITY HOUSING DEVELOPMENT—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.

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.

City of Loveland, Colorado
Combining Balance Sheet
Non-Major Governmental Funds
December 31, 2020

	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	9,269	30,715	-	47,050	351,663	16,708
Equity in Pooled Investments	210,906	5,395,272	-	9,446,105	134,410	-
Receivables (Net):						
Taxes	60,911	-	-	450,031	72,040	-
Accounts	-	-	-	-	-	-
Grants	-	37,425	55,641	83,252	3,855	-
Accrued Interest	767	18,935	-	36,615	1,313	-
Inventory	-	-	-	-	-	-
Restricted Assets:						
Equity in Pooled Restricted Cash	-	500,000	-	1,232,819	-	-
Total Assets	**281,853**	**5,982,347**	**55,641**	**11,295,872**	**563,281**	**16,708**
LIABILITIES						
Accounts Payable	-	114,476	52,570	81,020	-	13,002
Accrued Liabilities	-	7,218	3,071	24,920	-	3,706
Total Liabilities	**-**	**121,694**	**55,641**	**105,940**	**-**	**16,708**
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue	-	34,855	-	83,017	-	-
Deferred Property Taxes	60,509	-	-	-	72,040	-
Total Deferred Inflows of Resources	60,509	34,855	-	83,017	72,040	-
Total Liabilities and Deferred Inflows of Resources	**60,509**	**156,549**	**55,641**	**188,957**	**72,040**	**16,708**
Fund Balances:						
Nonspendable	-	-	-	-	-	-
Restricted	221,344	5,825,798	-	11,106,915	491,241	-
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Total Fund Balances	**221,344**	**5,825,798**	**-**	**11,106,915**	**491,241**	**-**
Total Liabilities and Fund Balances	**$ 281,853**	**$ 5,982,347**	**$ 55,641**	**$ 11,295,872**	**$ 563,281**	**$ 16,708**

See accompanying independent auditors' report.

SPECIAL REVENUE					CAPITAL PROJECTS	PERMANENT FUND	
Affordable Housing	Police Seizures & Forfeitures	Lodging Tax	PEG Fee	Fiber Network	Parks & Recreation Improvement	Perpetual Care	Total
$ -	$ -	$ 300	$ -	$ -	$ -	$ -	$ 300
5,784	4,623	324,055	687	6,259	26,731	14	823,558
756,629	39,084	3,591	390,873	421,001	624,207	3,472,718	20,894,796
-	-	47,612	-	-	-	-	630,594
-	6,594	2,281	-	-	-	-	8,875
-	-	20,962	-	-	-	-	201,135
1,946	113	-	1,291	1,040	2,555	9,922	74,497
-	-	20,580	-	-	-	-	20,580
-	-	-	-	-	391,904	-	2,124,723
764,359	**50,414**	**419,381**	**392,851**	**428,300**	**1,045,397**	**3,482,654**	**24,779,058**
-	-	14,768	-	14,221	2,562	-	292,619
-	-	18,633	-	-	-	-	57,548
-	**-**	**33,401**	**-**	**14,221**	**2,562**	**-**	**350,167**
-	-	-	-	-	-	-	117,872
-	-	-	-	-	-	-	132,549
-	-	-	-	-	-	-	250,421
-	**-**	**33,401**	**-**	**14,221**	**2,562**	**-**	**600,588**
-	-	20,580	-	-	-	3,482,654	3,503,234
-	50,414	365,400	-	-	-	-	18,061,112
764,359	-	-	392,851	-	-	-	1,157,210
-	-	-	-	414,079	1,042,835	-	1,456,914
764,359	**50,414**	**385,980**	**392,851**	**414,079**	**1,042,835**	**3,482,654**	**24,178,470**
$ 764,359	**$ 50,414**	**$ 419,381**	**$ 392,851**	**$ 428,300**	**$ 1,045,397**	**$ 3,482,654**	**$ 24,779,058**

City of Loveland, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended December 31, 2020

	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	$ 54,534	$ -	$ -	$ 2,453,668	$ 173,461	$ -
Intergovernmental	-	805,724	1,337,968	549,832	150,682	643,557
Charges for Services	-	-	-	-	-	-
Investment Earnings (Loss)	6,652	169,336	-	310,500	7,431	-
Miscellaneous	-	25,265	-	104,108	-	9,201
Total Revenues	**61,186**	**1,000,325**	**1,337,968**	**3,418,108**	**331,574**	**652,758**
Expenditures:						
Current:						
City Manager	-	-	1,337,968	-	-	-
Information Technology	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-
Public Works	-	-	-	-	-	640,177
Parks & Recreation	-	336,041	-	1,158,453	-	12,581
General Government	21,170	-	-	-	-	-
Capital Outlay	-	191,776	-	704,601	-	-
Principal	-	-	-	-	150,682	-
Total Expenditures	**21,170**	**527,817**	**1,337,968**	**1,863,054**	**150,682**	**652,758**
Excess (Deficiency) of Revenues Over Expenditures	40,016	472,508	-	1,555,054	180,892	-
Other Financing Sources (Uses):						
Transfers In	-	-	-	-	150,000	-
Transfers (Out)	-	-	-	-	(150,000)	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Change in Fund Balance	40,016	472,508	-	1,555,054	180,892	-
Fund Balances--Beginning	**181,328**	**5,353,290**	**-**	**9,551,861**	**310,349**	**-**
Fund Balances--Ending	**$ 221,344**	**$ 5,825,798**	**$ -**	**$ 11,106,915**	**$ 491,241**	**$ -**

See accompanying independent auditors' report.

SPECIAL REVENUE					CAPITAL PROJECTS	PERMANENT FUND	
Affordable Housing	Police Seizures & Forfeitures	Lodging Tax	PEG Fee	Fiber Network	Parks & Recreation Improvement	Perpetual Care	Total
$ -	$ -	$ 584,160	$ 80,566	$ -	$ -	$ -	$ 3,346,389
-	-	109,326	3,554	-	1,786	-	3,602,429
-	-	-	-	-	15,035	115,399	130,434
19,533	1,031	(1,222)	11,888	9,477	18,042	92,988	645,656
1,275,109	-	89,793	-	-	1,910	-	1,505,386
1,294,642	**1,031**	**782,057**	**96,008**	**9,477**	**36,773**	**208,387**	**9,230,294**
1,906,605	-	-	-	-	-	-	3,244,573
-	-	-	81,417	56,953	-	-	138,370
-	-	983,154	-	-	-	-	983,154
-	-	-	-	-	-	-	640,177
-	-	-	-	-	22,780	-	1,529,855
-	-	-	-	-	-	-	21,170
-	-	-	-	-	464,161	-	1,360,538
-	-	-	-	-	-	-	150,682
1,906,605	**-**	**983,154**	**81,417**	**56,953**	**486,941**	**-**	**8,068,519**
(611,963)	1,031	(201,097)	14,591	(47,476)	(450,168)	208,387	1,161,775
400,000	-	-	-	-	-	-	550,000
-	-	(3,000)	-	(28,652)	-	-	(181,652)
400,000	-	(3,000)	-	(28,652)	-	-	368,348
(211,963)	1,031	(204,097)	14,591	(76,128)	(450,168)	208,387	1,530,123
976,322	**49,383**	**590,077**	**378,260**	**490,207**	**1,493,003**	**3,274,267**	**22,648,347**
$ 764,359	**$ 50,414**	**$ 385,980**	**$ 392,851**	**$ 414,079**	**$ 1,042,835**	**$ 3,482,654**	**$ 24,178,470**

City of Loveland, Colorado
General Improvement District #1
Budgetary Comparison Schedule
For the Year Ended December 31, 2020

	Budgeted Amounts (unaudited)			Difference with Final
	Original	Final	Actual	Budget
Revenues:				
Taxes	$ 48,000	$ 48,000	$ 54,534	$ 6,534
Investment Earnings (Loss)	1,000	1,000	6,652	5,652
Total Revenues	**49,000**	**49,000**	**61,186**	**12,186**
Expenditures:				
Current:				
General Government	34,500	38,300	21,170	17,130
Total Expenditures	**34,500**	**38,300**	**21,170**	**17,130**
Net Change in Fund Balance	14,500	10,700	40,016	29,316
Fund Balance--Beginning	**181,328**	**181,328**	**181,328**	**-**
Fund Balance--Ending	**$ 195,828**	**$ 192,028**	**$ 221,344**	**$ 29,316**

See accompanying independent auditors' report.

City of Loveland, Colorado
Conservation Trust
Budgetary Comparison Schedule
For the Year Ended December 31, 2020

	Budgeted Amounts (unaudited)			Difference with Final
	Original	Final	Actual	Budget
Revenues:				
Intergovernmental	$ 743,700	$ 744,258	$ 805,724	$ 61,466
Investment Earnings (Loss)	9,603	9,603	169,336	159,733
Miscellaneous	-	-	25,265	25,265
Total Revenues	**753,303**	**753,861**	**1,000,325**	**246,464**
Expenditures:				
Current:				
Parks & Recreation	365,334	405,892	336,041	69,851
Capital Outlay	500,000	3,950,000	191,776	3,758,224
Total Expenditures	**865,334**	**4,355,892**	**527,817**	**3,828,075**
Net Change in Fund Balance	(112,031)	(3,602,031)	472,508	4,074,539
Fund Balance--Beginning	**5,353,290**	**5,353,290**	**5,353,290**	**-**
Fund Balance--Ending	**$ 5,241,259**	**$ 1,751,259**	**$ 5,825,798**	**$ 4,074,539**

See accompanying independent auditors' report.

City of Loveland, Colorado
Community Development Block Grant
Budgetary Comparison Schedule
For the Year Ended December 31, 2020

	Budgeted Amounts (unaudited)			Difference with Final
	Original	Final	Actual	Budget
Revenues:				
Intergovernmental	$ 389,247	$ 1,781,815	$ 1,337,968	$ (443,847)
Total Revenues	**389,247**	**1,781,815**	**1,337,968**	**(443,847)**
Expenditures:				
Current:				
City Manager	389,246	1,781,815	1,337,968	443,847
Total Expenditures	**389,246**	**1,781,815**	**1,337,968**	**443,847**
Net Change in Fund Balance	1	-	-	-
Fund Balance--Beginning	**-**	**-**	**-**	**-**
Fund Balance--Ending	**$ 1**	**$ -**	**$ -**	**$ -**

See accompanying independent auditors' report.

City of Loveland, Colorado
Larimer County Open Space
Budgetary Comparison Schedule
For the Year Ended December 31, 2020

	Budgeted Amounts (unaudited)			Difference with Final
	Original	Final	Actual	Budget
Revenues:				
Taxes	$ 2,379,019	$ 2,379,019	$ 2,453,668	$ 74,649
Intergovernmental	-	226,808	549,832	323,024
Investment Earnings (Loss)	102,413	102,413	310,500	208,087
Miscellaneous	148,429	148,429	104,108	(44,321)
Total Revenues	**2,629,861**	**2,856,669**	**3,418,108**	**561,439**
Expenditures:				
Parks & Recreation	1,285,978	1,361,686	1,158,453	203,233
Capital Outlay	1,525,000	4,070,940	704,601	3,366,339
Total Expenditures	**2,810,978**	**5,432,626**	**1,863,054**	**3,569,572**
Excess (Deficiency) of Revenues Over (Under) Expenditures	(181,117)	(2,575,957)	1,555,054	4,131,011
Other Financing Sources (Uses):				
Transfers (Out)	(13,170)	(13,170)	-	13,170
Total Other Financing Sources (Uses)	**(13,170)**	**(13,170)**	**-**	**13,170**
Net Change in Fund Balance	(194,287)	(2,589,127)	1,555,054	4,144,181
Fund Balance--Beginning	**9,551,861**	**9,551,861**	**9,551,861**	**-**
Fund Balance--Ending	**$ 9,357,574**	**$ 6,962,734**	**$ 11,106,915**	**$ 4,144,181**

See accompanying independent auditors' report.

City of Loveland, Colorado
Downtown Development Authority
Budgetary Comparison Schedule
For the Year Ended December 31, 2020

	Budgeted Amounts (unaudited)			
	Original	Final	Actual	Difference with Final Budget
Revenues:				
Taxes	$ 119,000	$ 119,000	$ 173,461	$ 54,461
Intergovernmental	-	-	150,682	150,682
Investment Earnings (Loss)	1,000	1,000	7,431	6,431
Total Revenues	**120,000**	**120,000**	**331,574**	**211,574**
Expenditures:				
Principal	-	296,827	150,682	146,145
Total Expenditures	**-**	**296,827**	**150,682**	**146,145**
Excess (Deficiency) of Revenues Over (Under) Expenditures	120,000	(176,827)	180,892	357,719
Other Financing Sources (Uses):				
Transfers In	-	150,000	150,000	-
Transfers (Out)	(87,115)	(237,115)	(150,000)	87,115
Total Other Financing Sources (Uses)	**(87,115)**	**(87,115)**	**-**	**87,115**
Net Change in Fund Balance	32,885	(263,942)	180,892	444,834
Fund Balance--Beginning	**310,349**	**310,349**	**310,349**	**-**
Fund Balance--Ending	**$ 343,234**	**$ 46,407**	**$ 491,241**	**$ 444,834**

See accompanying independent auditors' report.

City of Loveland, Colorado
Loveland Larimer Building Authority
Budgetary Comparison Schedule
For the Year Ended December 31, 2020

	Budgeted Amounts (unaudited)			Difference with Final
	Original	Final	Actual	Budget
Revenues:				
Intergovernmental	$ 710,404	$ 719,734	$ 643,557	$ (76,177)
Miscellaneous	-	-	9,201	9,201
Total Revenues	**710,404**	**719,734**	**652,758**	**(66,976)**
Expenditures:				
Current:				
Public Works	692,903	706,539	640,177	66,362
Parks & Recreation	17,500	17,500	12,581	4,919
Total Expenditures	**710,403**	**724,039**	**652,758**	**71,281**
Net Change in Fund Balance	1	(4,305)	-	4,305
Fund Balance--Beginning	**-**	**-**	**-**	**-**
Fund Balance--Ending	**$ 1**	**$ (4,305)**	**$ -**	**$ 4,305**

See accompanying independent auditors' report.

City of Loveland, Colorado
Affordable Housing
Budgetary Comparison Schedule
For the Year Ended December 31, 2020

	Budgeted Amounts (unaudited)			Difference with Final
	Original	Final	Actual	Budget
Revenues:				
Investment Earnings (Loss)	$ -	$ -	$ 19,533	$ 19,533
Miscellaneous	-	1,196,103	1,275,109	79,006
Total Revenues	**-**	**1,196,103**	**1,294,642**	**98,539**
Expenditures:				
City Manager	557,282	2,198,996	1,906,605	292,391
Total Expenditures	**557,282**	**2,198,996**	**1,906,605**	**292,391**
Excess (Deficiency) of Revenues Over (Under) Expenditures	(557,282)	(1,002,893)	(611,963)	390,930
Other Financing Sources (Uses):				
Transfers In	450,000	400,000	400,000	-
Total Other Financing Sources (Uses)	**450,000**	**400,000**	**400,000**	**-**
Net Change in Fund Balance	(107,282)	(602,893)	(211,963)	390,930
Fund Balance--Beginning	**976,322**	**976,322**	**976,322**	**-**
Fund Balance--Ending	**$ 869,040**	**$ 373,429**	**$ 764,359**	**$ 390,930**

See accompanying independent auditors' report.

City of Loveland, Colorado
Police Seizures & Forfeitures
Budgetary Comparison Schedule
For the Year Ended December 31, 2020

	Budgeted Amounts (unaudited)			Difference with Final
	Original	Final	Actual	Budget
Revenues:				
Investment Earnings (Loss)	$ 820	$ 820	$ 1,031	$ 211
Total Revenues	**820**	**820**	**1,031**	**211**
Expenditures:				
Police	-	49,383	-	49,383
Total Expenditures	**-**	**49,383**	**-**	**49,383**
Net Change in Fund Balance	820	(48,563)	1,031	49,594
Fund Balance--Beginning	**49,383**	**49,383**	**49,383**	**-**
Fund Balance--Ending	**$ 50,203**	**$ 820**	**$ 50,414**	**$ 49,594**

See accompanying independent auditors' report.

City of Loveland, Colorado
Lodging Tax
Budgetary Comparison Schedule
For the Year Ended December 31, 2020

	Budgeted Amounts (unaudited)			Difference with Final
	Original	Final	Actual	Budget
Revenues:				
Taxes	$ 1,126,399	$ 1,126,399	$ 584,160	$ (542,239)
Intergovernmental	-	-	109,326	109,326
Investment Earnings (Loss)	-	-	(1,222)	(1,222)
Miscellaneous	62,982	62,982	89,793	26,811
Total Revenues	**1,189,381**	**1,189,381**	**782,057**	**(407,324)**
Expenditures:				
Economic Development	1,094,966	1,247,081	983,154	263,927
Total Expenditures	**1,094,966**	**1,247,081**	**983,154**	**263,927**
Excess (Deficiency) of Revenues Over (Under) Expenditures	94,415	(57,700)	(201,097)	(143,397)
Other Financing Sources (Uses):				
Transfers (Out)	(13,000)	(8,000)	(3,000)	5,000
Total Other Financing Sources (Uses)	**(13,000)**	**(8,000)**	**(3,000)**	**5,000**
Net Change in Fund Balance	81,415	(65,700)	(204,097)	(138,397)
Fund Balance--Beginning	**590,077**	**590,077**	**590,077**	**-**
Fund Balance--Ending	**$ 671,492**	**$ 524,377**	**$ 385,980**	**$ (138,397)**

See accompanying independent auditors' report.

City of Loveland, Colorado
PEG Fee
Budgetary Comparison Schedule
For the Year Ended December 31, 2020

	Budgeted Amounts (unaudited)			Difference with Final
	Original	Final	Actual	Budget
Revenues:				
Taxes	$ 78,000	$ 78,000	$ 80,566	$ 2,566
Intergovernmental	-	3,554	3,554	-
Investment Earnings (Loss)	4,200	4,200	11,888	7,688
Total Revenues	**82,200**	**85,754**	**96,008**	**10,254**
Expenditures:				
Current:				
Information Technology	100,000	103,554	81,417	22,137
Capital Outlay:				
Capital Outlay	50,000	130,000	-	130,000
Total Expenditures	**150,000**	**233,554**	**81,417**	**152,137**
Net Change in Fund Balance	(67,800)	(147,800)	14,591	162,391
Fund Balance--Beginning	**378,260**	**378,260**	**378,260**	**-**
Fund Balance--Ending	**$ 310,460**	**$ 230,460**	**$ 392,851**	**$ 162,391**

See accompanying independent auditors' report.

City of Loveland, Colorado
Fiber Network
Budgetary Comparison Schedule
For the Year Ended December 31, 2020

	Budgeted Amounts (unaudited)			Difference with Final
	Original	Final	Actual	Budget
Revenues:				
Taxes	$ 110,000	$ 110,000	$ -	$ (110,000)
Investment Earnings (Loss)	7,100	7,100	9,477	2,377
Total Revenues	**117,100**	**117,100**	**9,477**	**(107,623)**
Expenditures:				
Information Technology	200,000	216,456	56,953	159,503
Capital Outlay	-	4,682	-	4,682
Total Expenditures	**200,000**	**221,138**	**56,953**	**164,185**
Excess (Deficiency) of Revenues Over (Under) Expenditures	(82,900)	(104,038)	(47,476)	56,562
Other Financing Sources (Uses):				
Transfers (Out)	-	(31,165)	(28,652)	2,513
Total Other Financing Sources (Uses)	**-**	**(31,165)**	**(28,652)**	**2,513**
Net Change in Fund Balance	(82,900)	(135,203)	(76,128)	59,075
Fund Balance--Beginning	**490,207**	**490,207**	**490,207**	**-**
Fund Balance--Ending	**$ 407,307**	**$ 355,004**	**$ 414,079**	**$ 59,075**

See accompanying independent auditors' report.

City of Loveland, Colorado
Parks & Recreation Improvement
Budgetary Comparison Schedule
For the Year Ended December 31, 2020

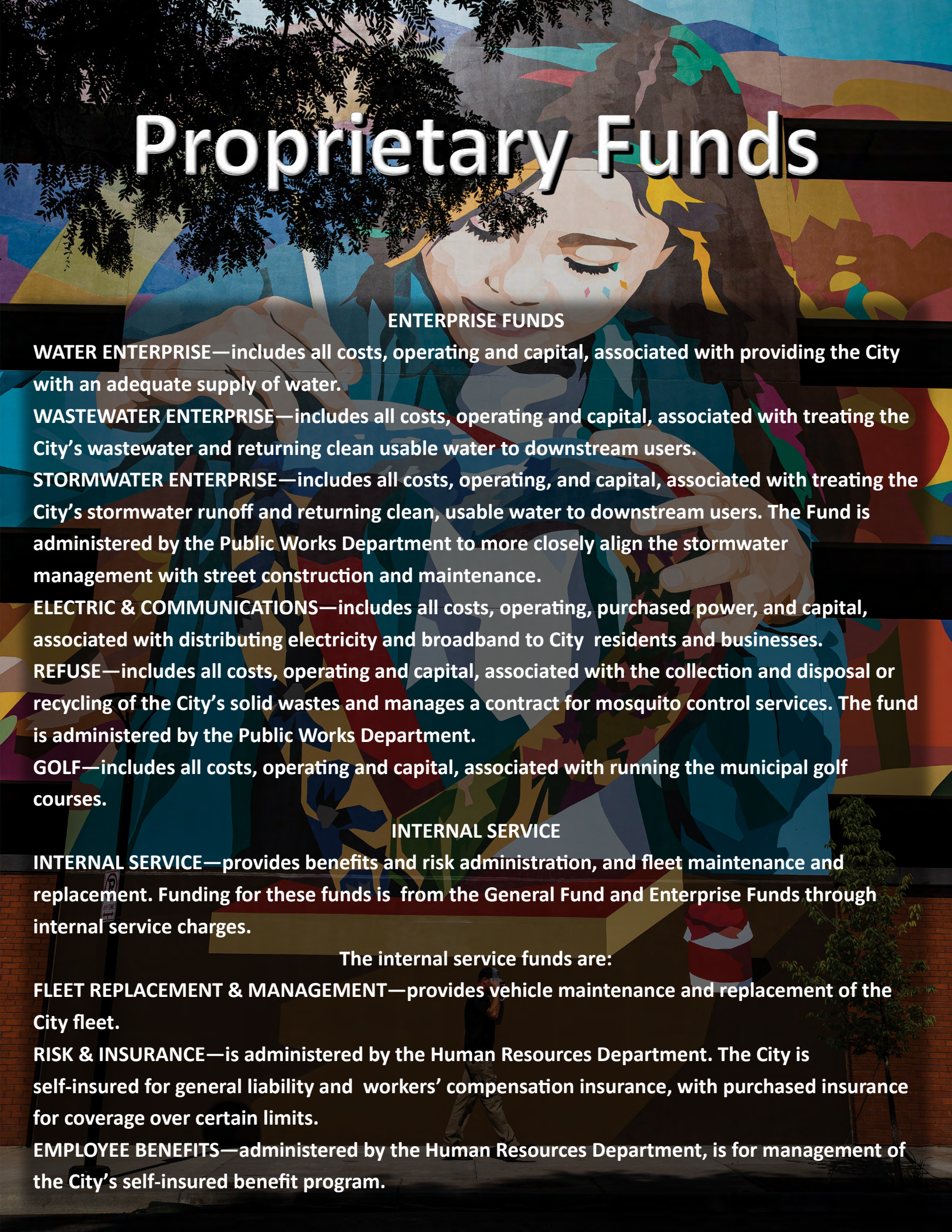
	Budgeted Amounts (unaudited)			Difference with Final
	Original	Final	Actual	Budget
Revenues:				
Intergovernmental	$ 1,700	$ 1,700	$ 1,786	$ 86
Charges for Services	54,986	54,986	15,035	(39,951)
Investment Earnings (Loss)	7,677	7,677	18,042	10,365
Miscellaneous	-	-	1,910	1,910
Total Revenues	**64,363**	**64,363**	**36,773**	**(27,590)**
Expenditures:				
Parks & Recreation	-	-	22,780	(22,780)
Capital Outlay	100,000	696,980	464,161	232,819
Total Expenditures	**100,000**	**696,980**	**486,941**	**210,039**
Excess (Deficiency) of Revenues Over (Under) Expenditures	(35,637)	(632,617)	(450,168)	182,449
Other Financing Sources (Uses):				
Transfers (Out)	(6,900)	(6,900)	-	6,900
Total Other Financing Sources (Uses)	**(6,900)**	**(6,900)**	**-**	**6,900**
Net Change in Fund Balance	(42,537)	(639,517)	(450,168)	189,349
Fund Balance--Beginning	**1,493,003**	**1,493,003**	**1,493,003**	**-**
Fund Balance--Ending	**$ 1,450,466**	**$ 853,486**	**$ 1,042,835**	**$ 189,349**

See accompanying independent auditors' report.

City of Loveland, Colorado
Perpetual Care
Budgetary Comparison Schedule
For the Year Ended December 31, 2020

	Budgeted Amounts (unaudited)			Difference with Final
	Original	Final	Actual	Budget
Revenues:				
Charges for Services	$ 62,611	$ 62,611	$ 115,399	$ 52,788
Investment Earnings (Loss)	47,550	47,550	92,988	45,438
Total Revenues	**110,161**	**110,161**	**208,387**	**98,226**
Net Change in Fund Balance	110,161	110,161	208,387	98,226
Fund Balance--Beginning	**3,274,267**	**3,274,267**	**3,274,267**	**-**
Fund Balance--Ending	**$ 3,384,428**	**$ 3,384,428**	**$ 3,482,654**	**$ 98,226**

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.

REFUSE—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, 2020

	Budgeted Amounts (unaudited)			Difference with Final
	Original	Final	Actual	Budget
Revenues:				
Charges for Services	$ 18,758,429	$ 18,758,429	$ 19,254,476	$ 496,047
Cash in Lieu of Water Rights	380,587	380,587	1,034,341	653,754
Miscellanous	1,660,216	2,350,314	1,679,752	(670,562)
Investment Earnings	154,325	154,325	1,353,070	1,198,745
System Impact/Development Fees	2,224,114	2,224,114	4,147,575	1,923,461
Raw Water Development Fees	817,102	817,102	1,335,720	518,618
Transfers In	7,250,000	7,250,000	394	(7,249,606)
Bond Proceeds	11,000,000	48,560,000	-	(48,560,000)
Aid to Construction	-	3,406,400	-	(3,406,400)
Capital Grant Contributions	-	130	27,959	27,829
Total Revenues	**42,244,773**	**83,901,401**	**28,833,287**	**(55,068,114)**
Expenditures:				
Personal Services	5,509,090	5,505,081	5,611,706	(106,625)
Supplies	1,733,277	3,131,207	1,276,203	1,855,004
Purchased Services	6,158,091	5,832,951	4,537,100	1,295,851
Payment for Services	1,313,090	1,313,090	1,268,900	44,190
Transfers (Out)	7,387,500	8,087,109	432,553	7,654,556
Capital Acquistions	20,813,060	83,187,078	11,673,881	71,513,197
Bond Expenses	3,554,589	1,043,942	380,159	663,783
Total Expenditures	**46,468,697**	**108,100,458**	**25,180,502**	**82,919,956**
Net Change in Fund Balance	**(4,223,924)**	**(24,199,057)**	**3,652,785**	**27,851,842**
Reconciliation to Statement of Revenues, Expenditures and Changes in Fund Net Position:				
Gain on Sale of Capital Asset			6,378	
Contributed Assets			3,376,894	
Depreciation			(3,941,780)	
Loss on Sale of Capital Asset			(652,351)	
Capital Acquisition			11,673,881	
Statement Total			$ 14,115,807	

See accompanying independent auditors' report.

City of Loveland, Colorado
Waste Water
Budgetary Comparison Schedule
For the Year Ended December 31, 2020

	Budgeted Amounts (unaudited)			Difference with Final
	Original	Final	Actual	Budget
Revenues:				
Charges for Services	$ 15,243,406	$ 15,243,406	$ 14,785,784	$ (457,622)
Miscellanous	427,759	1,765,259	152,036	(1,613,223)
Investment Earnings	114,577	114,577	19,936	(94,641)
System Impact/Development Fees	1,289,468	1,289,468	2,016,545	727,077
Transfers In	43	43	-	(43)
Capital Grant Contributions	-	22	17,058	17,036
Total Revenues	**17,075,253**	**18,412,775**	**16,991,359**	**(1,421,416)**
Expenditures:				
Personal Services	4,359,215	4,354,519	4,251,262	103,257
Supplies	954,447	1,007,211	606,143	401,068
Purchased Services	4,655,213	4,596,549	3,453,826	1,142,723
Payment for Services	1,066,530	1,066,530	962,272	104,258
Transfers (Out)	43,250	848,007	408,005	440,002
Capital Acquistions	5,629,600	11,692,900	6,788,197	4,904,703
Bond Expenses	3,577,518	1,921,745	956,290	965,455
Total Expenditures	**20,285,773**	**25,487,461**	**17,425,995**	**8,061,466**
Net Change in Fund Balance	**(3,210,520)**	**(7,074,686)**	**(434,636)**	**6,640,050**

Reconciliation to Statement of Revenues, Expenditures and Changes in Fund Net Position:	
Gain on Sale of Capital Asset	7,000
Contributed Assets	1,833,014
Depreciation	(3,517,777)
Capital Acquisition	6,788,197
Statement Total	$ 4,675,798

See accompanying independent auditors' report.

City of Loveland, Colorado
Stormwater
Budgetary Comparison Schedule
For the Year Ended December 31, 2020

	Budgeted Amounts (unaudited)			Difference with Final
	Original	Final	Actual	Budget
Revenues:				
Charges for Services	$ 7,874,960	$ 7,874,960	$ 8,018,867	$ 143,907
Miscellanous	31,373	31,373	76,635	45,262
Investment Earnings	152,600	152,600	479,341	326,741
System Impact/Development Fees	389,060	389,060	641,872	252,812
Transfers In	-	-	500	500
Capital Grant Contributions	-	-	4,338	4,338
Total Revenues	**8,447,993**	**8,447,993**	**9,221,553**	**773,560**
Expenditures:				
Personal Services	1,948,781	1,957,119	1,644,720	312,399
Supplies	509,494	71,854	47,214	24,640
Purchased Services	1,627,298	2,833,617	2,095,219	738,398
Payment for Services	496,170	496,170	524,599	(28,429)
Transfers (Out)	111,550	394,254	203,195	191,059
Capital Acquistions	7,734,600	15,244,793	8,771,444	6,473,349
Total Expenditures	**12,427,893**	**20,997,807**	**13,286,391**	**7,711,416**
Net Change in Fund Balance	**(3,979,900)**	**(12,549,814)**	**(4,064,838)**	**8,484,976**

Reconciliation to Statement of Revenues, Expenditures and Changes in Fund Net Position:	
Gain on Sale of Capital Asset	150,550
Contributed Assets	4,347,204
Depreciation	(1,377,883)
Capital Acquisition	8,771,444
Statement Total	$ 7,826,477

See accompanying independent auditors' report.

City of Loveland, Colorado
Electric & Communications
Budgetary Comparison Schedule
For the Year Ended December 31, 2020

	Budgeted Amounts (unaudited)			Difference with Final
	Original	Final	Actual	Budget
Revenues:				
Charges for Services	$ 74,629,255	$ 74,629,255	$ 69,859,944	$ (4,769,311)
Miscellanous	1,201,300	1,215,500	1,123,759	(91,741)
Investment Earnings	1,486,455	1,486,455	1,199,674	(286,781)
System Impact/Development Fees	2,908,940	2,908,940	3,057,681	148,741
Transfers In	827,000	83,587,819	-	(83,587,819)
Aid to Construction	2,020,000	4,020,000	2,006,097	(2,013,903)
Capital Grant Contributions	-	1,645	1,763	118
Total Revenues	**83,072,950**	**167,849,614**	**77,248,918**	**(90,600,696)**
Expenditures:				
Personal Services	10,575,098	9,545,462	6,102,398	3,443,064
Supplies	796,272	863,949	274,011	589,938
Purchased Services	7,774,405	9,042,025	5,956,544	3,085,481
Purchased Power	46,550,553	46,550,553	44,556,216	1,994,337
Payment for Services	5,224,044	5,224,044	4,809,429	414,615
Transfers (Out)	415,564	85,356,661	1,402,559	83,954,102
Capital Acquistions	17,847,885	92,738,214	27,531,068	65,207,146
Bond Expenses	-	3,877,606	3,454,008	423,598
Total Expenditures	**89,183,821**	**253,198,514**	**94,086,233**	**159,112,281**
Net Change in Fund Balance	**(6,110,871)**	**(85,348,900)**	**(16,837,315)**	**68,511,585**

Reconciliation to Statement of Revenues, Expenditures and Changes in Fund Net Position:	
Contributed Assets	2,360,228
Depreciation	(6,012,874)
Loss on Sale of Capital Asset	(14,994)
Capital Acquisition	27,531,068
Statement Total	$ 7,026,113

See accompanying independent auditors' report.

City of Loveland, Colorado
Solid Waste
Budgetary Comparison Schedule
For the Year Ended December 31, 2020

	Budgeted Amounts (unaudited)			Difference with Final
	Original	Final	Actual	Budget
Revenues:				
Charges for Services	$ 8,324,774	$ 8,324,774	$ 8,783,954	$ 459,180
Miscellanous	(8,950)	(8,950)	-	8,950
Investment Earnings	63,500	63,500	196,816	133,316
Capital Grant Contributions	-	190	1,470	1,280
Total Revenues	**8,379,324**	**8,379,514**	**8,982,240**	**602,726**
Expenditures:				
Personal Services	2,800,547	2,801,127	2,667,959	133,168
Supplies	210,040	292,472	197,911	94,561
Purchased Services	3,993,757	3,982,252	3,516,817	465,435
Payment for Services	574,054	574,054	567,627	6,427
Transfers (Out)	-	641,922	337,996	303,926
Capital Acquistions	913,452	2,312,278	1,486,433	825,845
Total Expenditures	**8,491,850**	**10,604,105**	**8,774,743**	**1,829,362**
Net Change in Fund Balance	**(112,526)**	**(2,224,591)**	**207,497**	**2,432,088**

Reconciliation to Statement of Revenues, Expenditures and Changes in Fund Net Position:	
Gain on Sale of Capital Asset	71,300
Depreciation	(823,718)
Capital Acquisition	1,486,433
Statement Total	$ 941,512

See accompanying independent auditors' report.

City of Loveland, Colorado
Golf
Budgetary Comparison Schedule
For the Year Ended December 31, 2020

	Budgeted Amounts (unaudited)			Difference with Final
	Original	Final	Actual	Budget
Revenues:				
Charges for Services	$ 4,046,686	$ 4,046,686	$ 4,373,160	$ 326,474
Miscellanous	-	-	10,533	10,533
Investment Earnings	70,876	70,876	182,584	111,708
Capital Grant Contributions	-	526	3,319	2,793
Total Revenues	**4,117,562**	**4,118,088**	**4,569,596**	**451,508**
Expenditures:				
Personal Services	2,365,719	2,369,400	2,068,957	300,443
Supplies	639,067	613,093	463,082	150,011
Purchased Services	663,382	692,082	672,183	19,899
Transfers (Out)	1,605	1,605	3,124	(1,519)
Capital Acquistions	676,850	1,425,794	573,096	852,698
Total Expenditures	**4,346,623**	**5,101,974**	**3,780,442**	**1,321,532**
Net Change in Fund Balance	**(229,061)**	**(983,886)**	**789,154**	**1,773,040**

Reconciliation to Statement of Revenues, Expenditures and Changes in Fund Net Position:	
Gain on Sale of Capital Asset	5,348
Depreciation	(322,118)
Capital Acquisition	573,096
Statement Total	$ 1,045,480

See accompanying independent auditors' report.

City of Loveland, Colorado
Combining Statement of Net Position
Internal Service
December 31, 2020

	Fleet Replacement	Fleet Management	Risk & Insurance	Employee Benefits	Totals
ASSETS					
Current Assets:					
Equity in Pooled Cash	$ 12,817	$ 937,459	$ 20,493	$ 5,265,748	$ 6,236,517
Equity in Pooled Investments	5,739,180	659,882	6,091,421	8,831,246	21,321,729
Receivables, Net	-	10,736	53,328	232,202	296,266
Accrued Interest	19,691	4,772	17,932	51,056	93,451
Inventory, at Cost	-	518,867	-	-	518,867
Total Current Assets	5,771,688	2,131,716	6,183,174	14,380,252	28,466,830
Noncurrent Assets:					
Interfund Loan Receivable	272,045	-	-	-	272,045
Restricted Assets:					
Equity in Pooled Restricted Cash	-	-	-	590,794	590,794
Total Restricted Assets	-	-	-	590,794	590,794
Property, Plant & Equipment:					
Land	209,516	-	-	-	209,516
Buildings	1,976,509	-	-	-	1,976,509
Equipment	17,860,229	163,404	-	-	18,023,633
Total Property, Plant & Equipment	20,046,254	163,404	-	-	20,209,658
Accumulated Depreciation	(10,976,486)	(94,238)	-	-	(11,070,724)
Net Property, Plant & Equipment	9,069,768	69,166	-	-	9,138,934
Total Non-Current Assets	9,341,813	69,166	-	590,794	10,001,773
Total Assets	15,113,501	2,200,882	6,183,174	14,971,046	38,468,603
LIABILITIES					
Current Liabilities:					
Accounts Payable	405,125	95,356	479,201	506,166	1,485,848
Accrued Liabilities	-	67,412	20,889	184,722	273,023
Total Current Liabilities	405,125	162,768	500,090	690,888	1,758,871
Compensated Absences	-	150,459	44,598	-	195,057
Total Liabilities	405,125	313,227	544,688	690,888	1,953,928
NET POSITION					
Net Investment in Capital Assets	9,069,768	69,166	-	-	9,138,934
Net Position Restricted for Future Improvements	-	-	-	590,794	590,794
Unrestricted	5,638,608	1,818,489	5,638,486	13,689,364	26,784,947
Total Net Position	$ 14,708,376	$ 1,887,655	$ 5,638,486	$ 14,280,158	$ 36,514,675

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, 2020

	Fleet Replacement	Fleet Management	Risk & Insurance	Employee Benefits	Totals
Operating Revenues:					
Charges for Services	$ 3,268,867	$ 4,932,640	$ 3,138,632	$ 16,132,275	$ 27,472,414
Miscellanous	20,933	45,701	111,889	38,129	216,652
Total Operating Revenues	3,289,800	4,978,341	3,250,521	16,170,404	27,689,066
Operating Expenses:					
Personal Services	-	1,820,990	603,658	784	2,425,432
Supplies	9,462	2,026,623	9,962	78,928	2,124,975
Purchased Services	-	591,995	2,925,753	12,483,173	16,000,921
Depreciation	1,566,064	16,685	-	-	1,582,749
Total Operating Expenses	1,575,526	4,456,293	3,539,373	12,562,885	22,134,077
Net Operating Income (loss)	1,714,274	522,048	(288,852)	3,607,519	5,554,989
Nonoperating Revenues (Expenses):					
Investment Earnings	204,949	33,326	163,733	424,170	826,178
Interest and debt service costs	-	(5,112)	-	-	(5,112)
Gain (Loss) on Sale of Capital Assets	269,290	-	-	-	269,290
Total Nonoperating Revenues (Expenses)	474,239	28,214	163,733	424,170	1,090,356
Net Income (Loss) Before Transfers	2,188,513	550,262	(125,119)	4,031,689	6,645,345
Capital Grant Contributions	-	26,297	385	-	26,682
Transfers (Out)	(2,902,405)	-	(1,000,000)	(2,440,000)	(6,342,405)
Change in Net Position	(713,892)	576,559	(1,124,734)	1,591,689	329,622
Total Net Position - Beginning	15,422,268	1,311,096	6,763,220	12,688,469	36,185,053
Total Net Position - Ending	$ 14,708,376	$ 1,887,655	$ 5,638,486	$ 14,280,158	$ 36,514,675

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, 2020

	Fleet Replacement	Fleet Management	Risk & Insurance	Employee Benefits	Totals
Cash Flows from Operating Activities:					
Cash Received from Interfund Services	$ 2,599,720	$ 4,927,605	$ 4,222,982	$ 16,485,840	$ 28,236,147
Cash Received for Goods and Services	381,280				381,280
Cash Payments for Goods and Services		(2,782,981)	(2,814,007)	(12,526,634)	(18,123,622)
Cash Payments to Employees	-	(1,805,929)	(575,178)	(81,004)	(2,462,111)
Miscellaneous	690,076	45,924	111,888	38,133	886,021
Net Cash Provided by Operating Activities	3,671,076	384,619	945,685	3,916,335	8,917,715
Cash Flows from Non-Capital Financing Activities:					
Transfers Out	(2,902,405)	-	(1,000,000)	(2,440,000)	(6,342,405)
Net Cash Used by Non-capital Financing Activities	(2,902,405)	-	(1,000,000)	(2,440,000)	(6,342,405)
Cash Flows from Capital and Related Financing Activities:					
Proceeds on Sale of Capital Assets	175,995	-	-	-	175,995
Payments for Capital Acquisition	(4,036,269)	-	-	-	(4,036,269)
Intergovernmental Revenue		26,244	332		26,576
Debt Principal Payments	-	(5,112)			(5,112)
Repayments received on Interfund Loan receivables	48,325	-	-	-	48,325
Net Cash Provided (Used) by Capital and Related Financing Activities	(3,811,949)	21,132	332	-	(3,790,485)
Cash Flows from Investing Activities:					
Purchase of Investments	(2,096,533)	(445,229)	(1,771,703)	(4,824,677)	(9,138,142)
Proceeds from Sale of Investments	3,660,768	-	1,725,000	5,975,000	11,360,768
Investment Earnings	120,329	23,728	102,384	267,298	513,739
Net Cash Flows Provided (Used) by Investing Activities	1,684,564	(421,501)	55,681	1,417,621	2,736,365
Net Increase (Decrease) in Cash and Cash Equivalents	(1,358,714)	(15,750)	1,698	2,893,956	1,521,190
Cash and Cash Equivalents - Jan. 1	1,371,531	953,209	18,795	2,962,586	5,306,121
Cash and Cash Equivalents--Dec. 31	$ 12,817	$ 937,459	$ 20,493	$ 5,856,542	$ 6,827,311
Reconciliation of Operating Income (Loss) to Net Operating Operating Income (Loss)	$ 1,714,279	$ 522,040	$ (288,854)	$ 3,607,525	$ 5,554,990
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation	1,566,064	16,685	-	-	1,582,749
(Increase) Decrease in Accounts Receivable		(4,810)	1,046,929	908,223	1,950,342
Increase in Inventory	-	(94,457)	-	-	(94,457)
Increase (Decrease) in Current Liabilities	390,733	(54,839)	187,610	(599,413)	(75,909)
Total Adjustments	1,956,797	(137,421)	1,234,539	308,810	3,362,725
Net Cash Provided by Operating Activities	$ 3,671,076	$ 384,619	$ 945,685	$ 3,916,335	$ 8,917,715
Noncash Investing, Capital and Financing Activities:					
Unrealized Gain on Investments	90,865	8,702	65,834	155,588	320,989
Reconciliation of cash and cash equivalents to statement of net position:					
Cash and cash equivalents	12,817	937,459	20,493	5,265,748	6,236,517
Restricted Assets - cash and cash equivalents	-	-	-	590,794	590,794
	$ 12,817	$ 937,459	$ 20,493	$ 5,856,542	$ 6,827,311

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, 2020

	Budgeted Amounts (unaudited)			Difference with Final
	Original	Final	Actual	Budget
Revenues:				
Charges for Services	$ 2,811,396	$ 3,451,396	$ 3,268,867	$ (182,529)
Miscellanous	57,937	57,937	20,933	(37,004)
Investment Earnings	113,325	113,325	204,949	91,624
Transfers In	60,000	60,000	-	(60,000)
Capital Grant Contributions	499,000	499,000	-	(499,000)
Total Revenues	**3,541,658**	**4,181,658**	**3,494,749**	**(686,909)**
Expenditures:				
Supplies	-	-	9,462	(9,462)
Transfers (Out)	1,500,000	3,728,197	2,902,405	825,792
Capital Acquistions	3,558,796	5,785,942	4,036,269	1,749,673
Loss on Sale of Capital Assets	-	-	10,746	(10,746)
Total Expenditures	**5,058,796**	**9,514,139**	**6,958,882**	**2,555,257**
Net Change in Fund Balance	**(1,517,138)**	**(5,332,481)**	**(3,464,133)**	**1,868,348**

Reconciliation to Statement of Revenues, Expenditures and Changes in Fund Net Position:	
Gain on Sale of Capital Asset	280,036
Depreciation	(1,566,064)
Capital Acquisitions	4,036,269
Statement Total	$ (713,892)

See accompanying independent auditors' report.

City of Loveland, Colorado
Fleet Management
Budgetary Comparison Schedule
For the Year Ended December 31, 2020

	Budgeted Amounts (unaudited)			Difference with Final
	Original	Final	Actual	Budget
Revenues:				
Charges for Services	$ 5,565,204	$ 5,565,204	$ 4,932,415	$ (632,789)
Miscellanous	-	-	45,926	45,926
Investment Earnings	9,520	9,520	33,326	23,806
Capital Grant Contributions	-	11,708	26,297	14,589
Total Revenues	**5,574,724**	**5,586,432**	**5,037,964**	**(548,468)**
Expenditures:				
Personal Services	1,917,485	1,943,309	1,820,990	122,319
Supplies	2,614,204	2,600,124	2,026,623	573,501
Purchased Services	622,379	842,964	597,107	245,857
Total Expenditures	**5,154,068**	**5,386,397**	**4,444,720**	**941,677**
Net Change in Fund Balance	**420,656**	**200,035**	**593,244**	**393,209**
Reconciliation to Statement of Revenues, Expenditures and Changes in Fund Net Position:				
Depreciation			(16,685)	
Statement Total			$ 576,559	

See accompanying independent auditors' report.

City of Loveland, Colorado
Risk & Insurance
Budgetary Comparison Schedule
For the Year Ended December 31, 2020

	Budgeted Amounts (unaudited)			Difference with Final
	Original	Final	Actual	Budget
Revenues:				
Charges for Services	$ 3,349,917	$ 3,138,632	$ 3,138,632	$ -
Miscellanous	133,500	133,500	111,889	(21,611)
Investment Earnings	115,100	115,100	163,733	48,633
Transfers In	-	102,479	-	(102,479)
Capital Grant Contributions	-	46	385	339
Total Revenues	**3,598,517**	**3,489,757**	**3,414,639**	**(75,118)**
Expenditures:				
Personal Services	397,440	580,987	603,658	(22,671)
Supplies	18,696	18,742	9,962	8,780
Purchased Services	2,789,871	3,196,455	2,925,753	270,702
Transfers (Out)	1,000,000	1,000,000	1,000,000	-
Total Expenditures	**4,206,007**	**4,796,184**	**4,539,373**	**256,811**
Net Change in Fund Balance	**(607,490)**	**(1,306,427)**	**(1,124,734)**	**181,693**

Reconciliation to Statement of Revenues, Expenditures and Changes in Fund Net Position:	
Statement Total	$ (1,124,734)

See accompanying independent auditors' report.

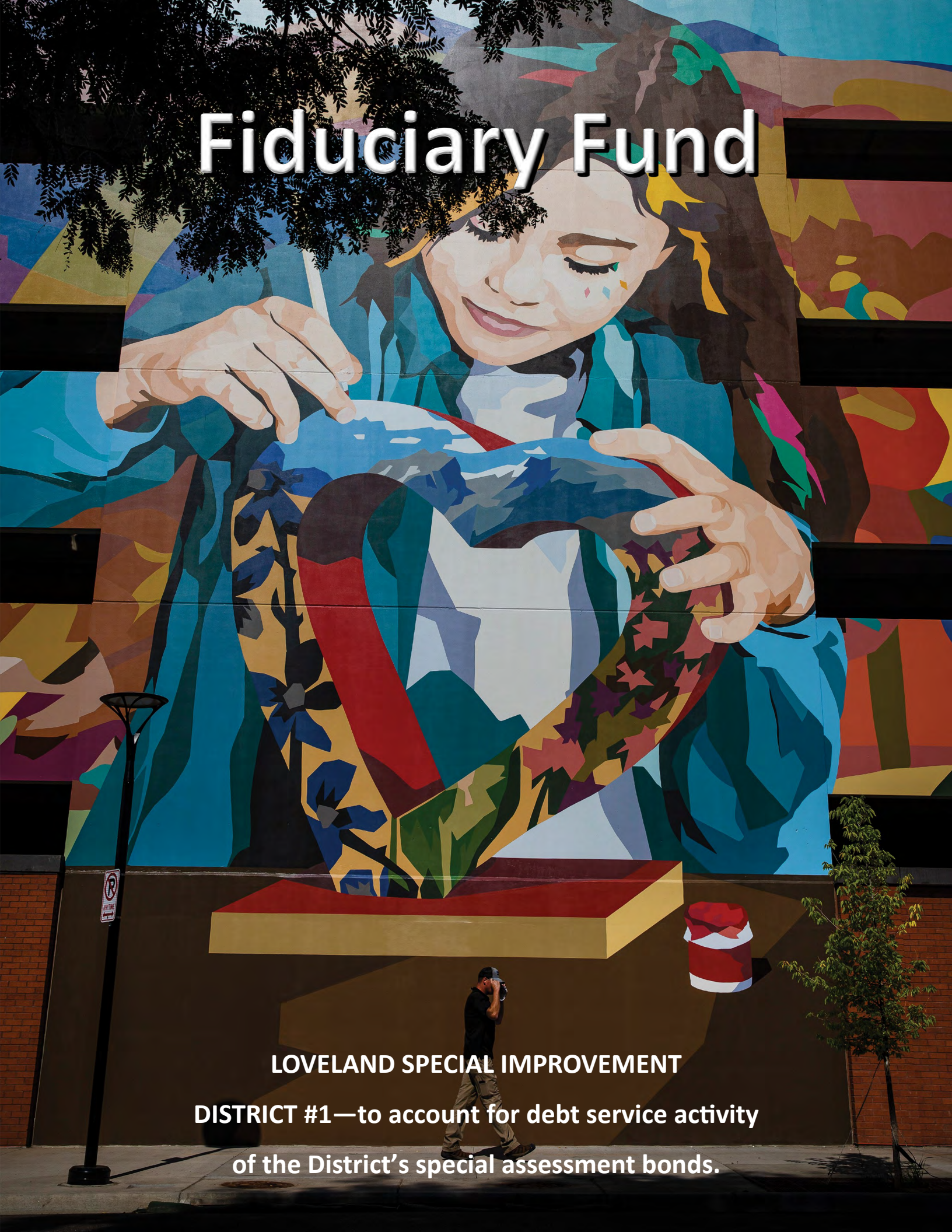
City of Loveland, Colorado
Employee Benefits
Budgetary Comparison Schedule
For the Year Ended December 31, 2020

	Budgeted Amounts (unaudited)			Difference with Final
	Original	Final	Actual	Budget
Revenues:				
Charges for Services	$ 16,309,446	$ 16,309,446	$ 16,132,275	$ (177,171)
Miscellanous	86,000	86,000	38,129	(47,871)
Investment Earnings	-	-	424,170	424,170
Total Revenues	**16,395,446**	**16,395,446**	**16,594,574**	**199,128**
Expenditures:				
Personal Services	8,750	8,750	784	7,966
Supplies	134,800	134,800	78,928	55,872
Purchased Services	16,098,300	16,098,300	12,483,173	3,615,127
Transfers (Out)	2,440,000	2,440,000	2,440,000	-
Total Expenditures	**18,681,850**	**18,681,850**	**15,002,885**	**3,678,965**
Net Change in Fund Balance	**(2,286,404)**	**(2,286,404)**	**1,591,689**	**3,878,093**

Reconciliation to Statement of Revenues, Expenditures and Changes in Fund Net Position:	
Statement Total	$ 1,591,689

See accompanying independent auditors' report.

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, 2020

	Budgeted Amounts (unaudited)			Difference with Final
	Original	Final	Actual	Budget
Revenues:				
Special Assessments	$ 490,000	$ 550,000	$ 554,506	$ 4,506
Interest	5,000	5,000	13,965	8,965
Miscellaneous	-	-	2,113	2,113
Total Revenues	**495,000**	**555,000**	**570,584**	**15,584**
Expenditures:				
General Administration	21,195	21,195	14,687	6,508
Bond Principal	350,000	450,000	415,000	35,000
Bond Interest	130,000	130,000	125,678	4,322
Trustee Fees	650	650	300	350
Total Expenditures	**501,845**	**601,845**	**555,665**	**46,180**
Net Change in Fund Balance	(6,845)	(46,845)	14,919	61,764
Fund Balance--Beginning	**430,962**	**430,962**	**476,426**	**45,464**
Fund Balance--Ending	**$ 424,117**	**$ 384,117**	**$ 491,345**	**$ 107,228**

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..... 125
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..... 135
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..... 138
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..... 142
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..... 145
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 Comprehensive Annual Financial Reports for the relevant year.

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

	2011	2012	2013	2014	2015
Governmental Activities					
Net Investment in Capital Assets	$ 302,978,097	$ 301,942,160	$ 301,651,481	$ 327,486,198	$ 334,471,486
Restricted	27,593,075	29,777,379	27,990,603	25,425,762	23,991,063
Unrestricted	74,582,278	83,391,502	95,320,222	88,271,751	89,140,975
Total Governmental Activities Net Position	**405,153,450**	**415,111,041**	**424,962,306**	**441,183,711**	**447,603,524**
Business-Type Activities					
Net Investment in Capital Assets	366,796,045	372,589,212	380,761,746	398,830,123	412,250,813
Future Capital Improvements	42,606,195	44,869,255	41,854,010	43,987,341	38,346,067
Unrestricted	43,221,838	44,177,057	44,941,194	39,181,529	50,999,539
Total Business-Type Activities Net Position	**452,624,078**	**461,635,524**	**467,556,950**	**481,998,993**	**501,596,419**
Primary government					
Net Investment In Capital Assets	669,774,142	674,531,372	682,413,227	726,316,321	746,722,299
Restricted	70,199,270	74,646,634	69,844,613	69,413,103	62,337,130
Unrestricted	117,804,116	127,568,559	140,261,416	127,453,280	140,140,514
Total Primary Government Net Position	**$ 857,777,528**	**$ 876,746,565**	**$ 892,519,256**	**$ 923,182,704**	**$ 949,199,943**

2016	2017	2018	2019	2020
$ 349,269,785	$ 370,968,085	$ 375,178,255	$ 407,352,447	$ 442,641,192
19,889,376	42,204,301	40,657,508	35,401,193	37,872,003
109,138,773	85,659,674	92,826,599	93,934,510	93,096,876
478,297,934	**498,832,060**	**508,662,362**	**536,688,150**	**573,610,071**
439,794,339	463,351,560	487,093,974	512,801,745	540,618,535
38,620,559	44,650,171	53,143,019	49,882,904	55,601,577
50,990,044	48,112,329	44,467,491	53,747,205	55,842,929
529,404,942	**556,114,060**	**584,704,484**	**616,431,854**	**652,063,041**
789,064,124	834,319,645	862,272,229	920,154,192	983,259,727
58,509,935	86,854,472	93,800,527	85,284,097	93,473,580
160,128,817	133,772,003	137,294,090	147,681,715	148,939,805
$ 1,007,702,876	**$ 1,054,946,120**	**$ 1,093,366,846**	**$ 1,153,120,004**	**$ 1,225,673,112**

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

	2011	2012	2013	2014
Expenses				
Governmental Activities:				
Legislative	$ 101,073	$ 97,103	$ 118,263	$ 162,625
Executive	1,839,314	2,298,957	2,040,641	1,944,875
City Manager	-	-	-	-
City Attorney	-	-	-	-
City Clerk	-	-	-	-
Municipal Court	-	-	-	-
Finance	2,156,020	3,685,096	1,495,077	1,736,626
Human Resources	750,448	929,651	312,209	156,840
Information Technology	3,251,193	3,101,836	2,951,995	656,388
Economic Development	1,235,598	1,764,192	2,509,865	3,922,742
Development Services	6,397,469	5,656,043	6,120,833	7,085,388
Public Works	17,425,656	18,940,024	19,132,121	29,259,394
Police	16,817,499	16,806,697	17,753,905	19,092,543
Fire and Rescue	8,075,617	10,481,974	10,110,872	11,267,310
Parks & Recreation	9,572,290	10,206,841	12,989,173	13,139,972
Library	2,625,349	2,701,016	3,267,977	3,465,978
Cultural Services	1,464,118	1,845,305	3,083,926	2,269,629
General Government	14,777,308	18,234,265	20,233,243	21,610,982
Interest on Long-Term Debt	-	-	-	-
Total Governmental Activities Expense	**86,488,952**	**96,749,000**	**102,120,100**	**115,771,292**
Business-Type Activities:				
Water	10,194,425	10,506,013	13,219,134	14,421,083
Wastewater	6,931,011	7,142,390	8,514,371	8,152,372
Stormwater	3,550,937	3,315,186	3,837,057	4,142,323
Electric & Communications	45,197,485	47,438,660	53,828,287	56,745,572
Solid Waste	4,881,326	5,143,011	5,768,080	5,772,448
Golf	3,248,098	3,262,626	3,466,487	3,649,645
Total Business-Type Activities Expenses	**74,003,282**	**76,807,886**	**88,633,416**	**92,883,443**
Total Primary Government Expenses	**160,492,234**	**173,556,886**	**190,753,516**	**208,654,735**
Program Revenues				
Governmental Activities:				
Charges for services:				
Executive	897,804	936,190	874,554	960,705
City Manager	-	-	-	-
City Attorney	-	-	-	-
City Clerk	-	-	-	-
Municipal Court	-	-	-	-
Finance	256,669	171,616	194,586	220,807
Human Resources	-	23	-	26
Information Technology	-	-	-	-
Economic Development	-	35,872	56,049	75,718
Development Services	1,247,933	1,662,823	1,648,640	2,405,098
Public Works	2,223,493	2,128,714	3,156,866	3,317,741
Police	1,114,811	906,400	1,126,139	1,249,248
Fire	1,316,110	286,551	318,997	416,909
Parks & Recreation	3,615,168	4,039,590	5,705,461	5,273,998
Library	95,470	98,541	85,239	90,717
Cultural Services	166,584	279,291	290,673	366,835
General Government	4,452,074	5,537,449	5,738,507	5,938,830
Operating grants and contributions	5,487,692	14,626,446	15,501,176	15,144,081
Capital grants and contributions	10,272,856	9,488,471	11,321,276	24,080,916
Total Governmental Activities Revenues	**$ 31,146,664**	**$ 40,197,977**	**$ 46,018,163**	**$ 59,541,629**

Source: City of Loveland Financial Statements

2015	2016	2017	2018	2019	2020
$ 157,812	$ 151,146	$ 159,913	$ 187,723	$ 144,975	$ 142,847
2,134,424	2,199,258	4,216,699	3,376,411	5,380,650	-
-	-	-	-	-	5,027,941
-	-	-	-	-	1,282,582
-	-	-	-	-	737,749
-	-	-	-	-	680,160
1,731,226	1,846,402	1,295,259	1,256,557	5,388,175	5,822,026
249,177	358,285	420,729	424,206	1,638,690	1,432,526
925,018	983,766	556,131	1,831,164	6,401,536	6,892,385
5,416,693	4,046,522	3,090,713	2,551,997	2,597,640	2,914,656
7,303,464	7,391,751	6,509,167	6,737,725	3,981,403	5,701,230
19,659,340	22,454,121	23,931,894	31,567,513	27,180,708	30,043,177
20,122,411	21,508,676	24,783,280	27,082,050	25,312,191	25,999,756
13,127,952	13,968,518	16,365,941	22,272,980	18,193,823	19,287,233
13,433,473	14,149,386	14,103,788	16,364,686	12,040,970	13,456,687
3,513,276	3,598,465	4,123,625	4,272,659	3,385,385	2,920,546
2,375,343	2,522,341	2,600,450	2,942,481	2,089,675	3,731,823
24,936,240	24,003,139	24,815,615	23,571,072	16,784,988	19,008,838
-	-		-	-	781,283
115,085,849	**119,181,776**	**126,973,204**	**144,439,224**	**130,520,809**	**145,863,445**
14,993,052	15,666,363	16,075,296	16,308,692	15,666,095	17,668,199
9,004,724	9,078,498	9,679,668	11,304,051	13,085,842	13,747,570
4,218,805	4,342,427	5,850,696	4,927,823	5,055,877	5,689,635
56,935,935	58,211,434	64,494,714	64,180,716	-	71,180,474
5,956,930	6,453,721	6,714,450	7,243,803	7,743,425	7,774,032
3,757,673	4,558,219	3,872,895	3,669,380	3,557,875	3,526,340
94,867,119	**98,310,662**	**106,687,719**	**107,634,465**	**45,109,114**	**119,586,250**
209,952,968	**217,492,438**	**233,660,923**	**252,073,689**	**175,629,923**	**265,449,695**
1,093,954	944,041	1,041,189	1,665,482	1,816,728	-
-	-	-	-	-	90,971
-	-	-	-	-	54,551
-	-	-	-	-	65,840
-	-	-	-	-	1,054,434
213,550	206,081	264,016	243,877	226,958	208,229
-	-	-	-	-	1,465
-	-	-	-	-	258,325
80,205	94,072	611,278	156,092	233,795	1,343,115
2,742,511	3,058,494	2,567,529	2,768,763	2,141,143	3,273,085
5,272,211	5,803,971	6,506,628	19,218,892	18,093,078	22,514,463
1,124,858	1,263,912	1,444,770	696,939	2,967,706	6,538,486
365,378	582,014	4,839,718	7,418,801	3,769,092	2,896,385
4,326,854	5,131,937	4,757,024	4,834,484	5,504,094	3,294,031
93,226	92,278	72,431	95,501	50,342	139,437
366,894	418,057	431,274	470,431	616,260	230,858
6,430,198	7,054,713	7,934,902	77,655	49,046	3,843,246
18,170,851	18,282,481	22,130,784	21,457,236	23,138,462	23,365,634
12,390,432	21,755,995	5,405,297	7,045,733	4,214,800	17,076,354
$ 52,671,122	**$ 64,688,046**	**$ 58,006,840**	**$ 66,149,886**	**$ 62,821,504**	**$ 86,248,909**

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

	2011	2012	2013	2014
Business-type Activities				
Charges for services				
Water	$ 12,899,042	$ 10,119,971	$ 10,100,125	$ 11,637,020
Wastewater	7,066,252	7,259,071	8,122,896	8,658,044
Stormwater	3,989,549	4,032,801	4,124,910	4,539,285
Electric & Communications	47,374,719	50,842,438	54,541,358	56,131,726
Solid Waste	5,903,328	6,003,233	6,040,794	6,242,999
Golf	3,455,162	3,729,636	3,256,450	3,497,796
Capital grants and contributions	7,050,956	6,785,850	11,615,334	17,332,613
Operating grants and contributions	-	-	-	89,863
Total Business-Type Activities Revenues	**87,739,008**	**88,773,000**	**97,801,867**	**108,129,346**
Total Primary-Government Revenues	**118,885,672**	**128,970,977**	**143,820,030**	**167,670,975**
Net (Expense) Revenue				
Governmental Activities	(55,342,288)	(56,551,023)	(56,101,937)	(56,229,663)
Business-Type Activities	13,735,726	11,965,114	9,168,451	15,245,903
Total Primary Government Net (Expense)/Revenues	**(41,606,562)**	**(44,585,909)**	**(46,933,486)**	**(40,983,760)**
General Revenues & Other Changes in Net Position				
Governmental Activities				
Taxes				
Property Taxes	18,829,989	18,727,569	18,708,893	18,706,275
Sales and Use Taxes	36,535,125	39,849,259	42,342,445	46,954,355
Franchise Taxes	1,626,216	1,728,289	1,772,839	1,886,816
Other Taxes	991,556	998,390	1,175,053	1,390,290
Investment Earnings	2,561,535	1,124,663	(941,945)	1,917,038
Gain on Sale of Assets	691,883	23,083	208,383	298,520
Transfers	6,392,390	4,057,361	2,687,534	1,297,774
Total Governmental Activities	**67,628,694**	**66,508,614**	**65,953,202**	**72,451,068**
Business-Type Activities				
Investment Earnings	2,238,345	958,828	(581,995)	1,500,081
Gain on Sale of Assets	366,592	144,865	22,504	(1,006,167)
Transfers	(6,392,390)	(4,057,361)	(2,687,534)	(1,297,774)
Total Business-Type Activities	**(3,787,453)**	**(2,953,668)**	**(3,247,025)**	**(803,860)**
Total Primary Government	**63,841,241**	**63,554,946**	**62,706,177**	**71,647,208**
Change in Net Position				
Governmental Activities	12,286,406	9,957,591	9,851,265	16,221,405
Business-Type Activities	9,948,273	9,011,446	5,921,426	14,442,043
Total Primary Government	**$ 22,234,679**	**$ 18,969,037**	**$ 15,772,691**	**$ 30,663,448**

Source: City of Loveland Financial Statements

2015	2016	2017	2018	2019	2020
$ 13,252,667	$ 15,298,606	$ 16,756,753	$ 18,689,859	$ 18,643,554	$ 22,127,504
9,523,580	10,812,210	11,937,729	13,053,629	13,699,495	14,929,933
5,113,905	5,785,926	6,483,986	7,000,162	7,625,979	8,099,802
57,513,426	60,070,432	63,851,915	66,770,401	68,929,460	70,863,380
6,506,747	6,823,296	7,053,445	8,074,466	8,620,148	8,783,551
3,734,006	3,796,133	3,825,009	3,821,240	3,860,141	4,387,012
16,712,187	22,466,304	17,720,613	18,763,653	25,349,844	24,821,451
288,683	211,522	275,738	333,552	352,474	319,345
112,645,201	**125,264,429**	**127,905,188**	**136,506,962**	**147,081,095**	**154,331,978**
165,316,323	**189,952,475**	**185,912,028**	**194,513,802**	**213,230,981**	**217,153,482**
(62,414,727)	(54,493,730)	(60,691,596)	(78,289,338)	(67,699,305)	(59,614,536)
17,778,082	26,953,767	21,217,468	28,872,497	33,220,851	34,745,728
(44,636,645)	**(27,539,963)**	**(39,474,128)**	**(49,416,841)**	**(34,478,454)**	**(24,868,808)**
18,546,909	20,904,830	21,680,942	23,899,977	26,678,420	29,121,824
48,751,148	50,527,501	54,481,516	57,372,198	59,077,014	59,647,002
1,864,925	1,800,051	2,018,640	1,860,176	1,837,808	1,669,956
1,415,285	1,210,092	2,198,110	1,940,748	2,170,466	1,746,201
1,265,529	589,669	1,373,292	1,599,707	3,193,518	1,343,775
569,139	170,947	31,522	102,157	153,803	221,161
(824,365)	(308,505)	(558,300)	1,344,677	2,614,064	2,786,538
71,588,570	**74,894,585**	**81,225,722**	**88,119,640**	**95,725,093**	**96,536,457**
994,979	546,251	1,005,237	1,359,120	5,273,004	3,431,421
-	-	-	(296,516)	(1,652,421)	240,576
824,365	308,505	558,300	(1,344,677)	(2,614,064)	(2,786,538)
1,819,344	**854,756**	**1,563,537**	**(282,073)**	**1,006,519**	**885,459**
73,407,914	**75,749,341**	**82,789,259**	**87,837,567**	**96,731,612**	**97,421,916**
9,173,843	20,400,855	20,534,126	9,830,302	28,025,788	36,921,921
19,597,426	27,808,523	22,781,005	28,590,424	34,227,370	35,631,187
$ 28,771,269	**$ 48,209,378**	**$ 43,315,131**	**$ 38,420,726**	**$ 62,253,158**	**$ 72,553,108**

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

	2011	2012	2013	2014
General Fund				
Nonspendable	$ 329,125	$ 321,720	$ 16,701	$ 199,045
Restricted	1,809,815	1,861,860	1,851,741	2,439,462
Committed	8,197,419	13,272,193	11,941,797	18,219,015
Assigned	1,894,325	1,065,056	1,412,714	1,344,179
Unassigned	14,532,228	16,560,028	25,621,810	22,996,438
Total General Fund	**$ 26,762,912**	**$ 33,080,857**	**$ 40,844,763**	**$ 45,198,139**
All Other Governmental Funds				
Nonspendable				
Capital Expansion Fees	4,850,000	4,850,000	4,485,000	2,130,012
Transportation	-	-	-	-
Other Governmental Funds	817,067	850,368	900,768	957,172
Restricted				
Loveland Urban Renewal Authority	251,647	293,037	264,893	516,443
Loveland Fire Rescue Authority	-	290,339	17,397	17,397
Capital Projects	484,050	-	-	-
Other Governmental Funds	19,051,371	21,310,055	20,454,105	19,166,231
Committed				
Capital Expansion Fees	33,533,090	34,915,356	33,436,499	25,948,944
Other Governmental Funds	1,787,648	327,551	380,202	389,879
Assigned				
Capital Projects	349,023	202,257	862,472	872,472
Transportation	-	-	-	-
Other Governmental Funds	2,671,148	3,964,896	3,949,823	4,155,436
Unassigned				
Transportation	-	-	-	-
Capital Project Fund	-	-	-	-
Total All Other Governmental Funds	**63,795,044**	**67,003,859**	**64,751,159**	**54,153,986**
Total Governmental Funds	**$ 90,557,956**	**$ 100,084,716**	**$ 105,595,922**	**$ 99,352,125**

Source: City of Loveland Financial Statements

2015	2016	2017	2018	2019	2020
$ 55,603	$ 51,685	$ 47,650	$ 43,493	$ 39,212	$ 34,802
2,317,041	2,906,882	25,715,544	11,988,505	8,185,477	4,883,384
24,784,252	19,097,578	2,494,422	5,597,274	566,558	812,088
1,385,845	1,155,031	-	-	-	-
17,902,106	21,741,419	10,591,362	14,720,142	19,268,245	27,750,485
$ 46,444,847	**$ 44,952,595**	**$ 38,848,978**	**$ 32,349,414**	**$ 28,059,492**	**$ 33,480,759**
-	-	-	-	-	-
-	-	-	512,180	350,670	532,779
997,132	1,033,093	1,114,935	1,157,959	3,306,565	3,503,234
735,192	972,722	1,018,896	296,164	647,652	1,454,625
17,397	101,176	2,090,853	8,457,297	6,825,362	7,406,621
-	-	-	993,921	-	-
17,545,105	14,823,817	12,216,423	14,561,785	15,822,662	18,061,112
33,331,085	37,127,980	41,159,739	36,822,062	33,033,106	32,110,116
485,775	515,297	717,238	1,369,078	1,535,910	1,157,210
1,058,324	2,331,869	9,801,816	1,250,612	1,514,211	-
-	-	-	-	-	-
3,934,819	3,796,447	3,981,477	4,110,607	1,983,210	1,456,914
-	-	-	(512,180)	(350,670)	(532,779)
-	-	-	-	-	(1,439,858)
58,104,829	**60,702,401**	**72,101,377**	**69,019,485**	**64,668,678**	**63,709,974**
$ 104,549,676	**$ 105,654,996**	**$ 110,950,355**	**$ 101,368,899**	**$ 92,728,170**	**$ 97,190,733**

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

	2011	2012	2013	2014
Revenues				
Taxes	$ 57,814,739	$ 61,102,185	$ 63,791,664	$ 68,523,097
Licenses and Permits	1,655,825	2,013,353	1,951,145	3,073,136
Fines and Penalties	936,370	956,357	871,879	966,619
Intergovernmental	11,178,476	19,529,719	18,535,293	21,238,565
Charges for Services	9,456,148	10,443,932	11,413,048	12,175,143
Investment Earnings	2,561,536	1,124,663	(941,945)	1,917,038
Payment in Lieu of Taxes	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	7,692,460	7,341,636	7,795,014	7,635,519
Total Revenues	**91,295,554**	**102,511,845**	**103,416,098**	**115,529,117**
Expenditures				
Current				
Legislative	101,073	97,103	118,263	162,625
Executive	1,824,253	2,239,590	2,042,214	1,962,771
City Manager	-	-	-	-
City Attorney	-	-	-	-
City Clerk	-	-	-	-
Municipal Court	-	-	-	-
Finance	2,125,071	3,720,738	1,451,102	1,717,652
Human Resources	743,473	896,637	184,742	277,384
Information Technology	3,090,394	2,954,763	2,759,834	433,181
Economic Development	1,242,393	1,770,654	2,502,289	3,910,697
Development Services	3,504,061	2,757,555	3,245,205	4,197,908
Municipal Court	-	-	-	-
Public Works	12,370,062	13,436,298	12,902,846	13,604,425
Public Safety	24,321,444	26,377,802	26,924,617	29,145,238
Parks & Recreation	7,711,711	8,096,184	11,061,496	11,388,857
Library	2,324,888	2,467,633	2,807,092	3,045,902
Cultural Services	1,359,067	1,511,896	1,911,961	2,012,556
General Government	11,765,075	18,697,093	19,328,503	19,635,681
Capital Outlay	22,141,774	12,018,499	15,077,462	32,589,133
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	**94,624,739**	**97,042,445**	**102,317,626**	**124,084,010**
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,329,185)	5,469,400	1,098,472	(8,554,893)
Other Financing Sources (Uses)				
Transfers In	17,559,666	11,408,533	14,620,366	24,435,810
Transfers (Out)	(11,317,783)	(7,351,173)	(11,932,830)	(23,124,647)
Debt Issued	-	-	-	-
Insurance Recoveries	-	-	-	999,933
Total Other Financing Sources (Uses)	6,241,883	4,057,360	2,687,536	2,311,096
Net Change in Fund Balance	**$ 2,912,698**	**$ 9,526,760**	**$ 3,786,008**	**$ (6,243,797)**
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%

Source: City of Loveland Financial Statements

2015	2016	2017	2018	2019	2020
$ 70,117,336	$ 74,220,077	$ 80,233,216	$ 83,406,784	$ 88,501,636	$ 91,338,747
3,076,189	3,310,912	3,126,113	3,341,235	2,567,487	3,902,767
1,123,670	929,370	972,875	1,263,732	1,203,527	1,003,433
22,760,809	24,233,341	25,242,347	27,533,890	28,535,074	32,886,093
15,535,481	16,607,925	15,222,965	16,914,492	15,759,460	18,360,470
1,265,530	589,670	1,373,293	1,599,707	3,193,518	1,343,775
-	-	-	-		8,132,827
-	-	-	-	-	5,865,552
8,219,150	9,494,166	12,057,019	12,193,909	15,005,029	6,216,566
122,098,165	**129,385,461**	**138,227,828**	**146,253,749**	**154,765,731**	**169,050,230**
157,812	151,146	159,913	187,723	144,975	142,847
2,122,554	2,211,243	4,036,220	3,322,807	5,456,462	-
-	-	-	-	-	4,990,757
-	-	-	-	-	1,243,257
-	-	-	-	-	740,762
-	-	-	-	-	676,200
1,683,036	1,819,888	1,282,258	1,221,190	5,470,110	5,704,161
240,311	355,772	445,725	385,130	1,701,545	1,430,180
639,513	689,898	316,523	1,536,654	6,288,049	6,554,490
5,413,443	3,387,769	3,017,795	2,500,959	2,573,507	2,900,642
4,516,499	4,412,253	3,623,655	3,811,987	2,886,029	2,802,537
-	-	-	-	-	
13,202,521	15,141,677	17,706,619	24,291,235	26,385,684	21,196,097
31,531,587	34,010,680	39,579,009	42,909,097	43,310,762	43,598,221
11,181,335	11,121,873	11,563,778	13,223,723	11,183,651	10,303,173
3,165,964	3,271,662	3,762,506	3,918,838	3,252,119	2,855,153
2,086,915	2,230,327	2,540,385	2,727,844	2,160,288	1,848,099
21,035,844	22,972,699	26,689,261	28,239,484	23,454,914	25,399,372
18,489,108	21,079,771	33,036,628	31,906,516	33,060,864	39,644,903
-	-		274,903	232,449	901,476
-	-	468,894	823,992	805,920	784,283
115,466,442	**122,856,658**	**148,229,169**	**161,282,082**	**168,367,328**	**173,716,610**
6,631,723	6,528,803	(10,001,341)	(15,028,333)	(13,601,597)	(4,666,380)
14,559,142	15,877,819	36,008,350	28,794,567	31,368,083	35,839,740
(15,993,509)	(21,301,301)	(36,611,649)	(27,756,890)	(26,407,215)	(26,710,797)
-	-	15,900,000	4,409,200	-	-
195	-	-	-	-	-
(1,434,172)	(5,423,482)	15,296,701	5,446,877	4,960,868	9,128,943
$ 5,197,551	**$ 1,105,321**	**$ 5,295,360**	**$ (9,581,456)**	**$ (8,640,729)**	**$ 4,462,563**
0.00%	0.00%	0.04%	0.86%	0.77%	1.27%

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

	2011	2012	2013	2014
Department Stores & General Merchandise	$ 256,658,493	$ 262,471,702	$ 274,109,685	$ 276,744,986
Restaurants & Bars	139,760,388	166,523,116	178,533,598	190,187,912
Grocery Stores & Specialty Foods	108,819,981	112,714,020	121,256,853	129,506,120
Motor Vehicle Dealers, Auto Parts & Leasing	72,162,544	83,463,383	95,764,794	109,598,817
Building Materials, Lawn & Garden Supplies	71,854,553	77,228,038	82,711,176	99,082,447
Electronic Shopping & Mail-Order Houses	15,806,144	16,165,845	15,503,366	22,418,225
Utilities	55,665,784	57,002,293	60,644,714	64,182,261
Clothing & Clothing Accessories Stores	110,700,115	116,991,988	126,009,320	134,717,972
Used Merchandise Stores	34,627,761	39,947,402	43,151,166	51,771,880
Sporting Goods, Hobby, Book & Music Stores	62,590,749	68,359,328	75,542,646	69,872,200
Consumer Goods & Commercial Equipment Rental	17,620,480	20,210,525	25,124,144	26,001,035
Electronics & Appliance Stores	31,714,627	26,948,009	24,348,964	27,081,081
Beer, Wine & Liquor Stores	24,958,195	27,996,287	30,591,921	32,771,682
Health & Personal Care Stores	20,096,044	21,144,770	22,679,821	24,184,828
Broadcasting & Telecommunications	43,967,166	45,531,642	44,470,340	49,318,711
Hotels, Motels & Other Accommodations	24,740,175	26,954,073	29,259,981	34,803,569
Gasoline Stations with Convenience Stores	8,475,708	9,207,252	10,591,355	13,230,004
Furniture & Home Furnishing Stores	17,774,346	17,707,647	19,203,399	20,615,891
Office Supplies, Stationery & Gift Stores	12,399,947	11,890,821	12,390,228	12,985,091
All Other Categories	11,936,856	38,034,238	41,053,877	44,780,482
	$ 1,142,330,056	**$ 1,246,492,379**	**$ 1,332,941,348**	**$ 1,433,855,194**

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

2015	2016	2017	2018	2019	2020
$ 270,693,274	$ 264,384,639	$ 265,609,205	$ 280,312,063	$ 286,929,211	$ 294,881,782
206,674,358	211,408,110	220,605,183	232,407,146	238,987,880	202,326,833
142,555,626	155,842,903	167,949,122	158,424,696	198,525,897	197,191,418
116,334,884	123,159,183	135,160,541	140,963,620	151,870,172	153,298,019
110,932,445	120,164,180	126,548,513	130,413,298	139,493,874	164,591,606
19,914,730	21,210,574	40,735,145	50,647,172	62,055,246	79,564,095
64,709,874	64,911,876	68,015,461	72,404,726	76,500,623	74,685,815
136,790,016	128,678,615	123,988,123	119,278,467	101,732,469	69,251,659
55,602,910	55,576,353	60,689,744	61,665,848	64,653,055	61,865,587
69,652,955	70,118,603	67,073,041	59,177,505	55,521,130	52,813,645
32,627,335	35,674,860	39,782,395	44,573,117	46,715,288	43,062,942
29,156,779	32,363,432	34,357,053	35,936,636	40,876,629	37,934,351
35,144,018	37,378,773	39,021,329	38,449,194	33,937,477	37,270,346
25,738,812	25,362,219	24,950,613	24,642,318	26,693,289	28,979,368
45,335,493	39,859,130	37,607,236	34,838,716	30,987,036	28,766,053
34,947,731	35,576,429	35,964,857	37,776,265	41,025,271	21,580,216
14,872,703	15,149,542	15,435,763	16,466,845	19,198,877	20,833,909
23,029,403	23,765,980	24,961,249	22,090,985	22,833,594	13,110,769
12,061,466	9,599,761	8,016,689	10,376,476	8,333,256	9,424,348
45,911,423	53,390,700	58,821,431	59,624,192	92,211,871	95,991,984
$ 1,492,686,235	**$ 1,523,575,862**	**$ 1,595,292,693**	**$ 1,630,469,285**	**$ 1,739,082,145**	**$ 1,687,424,745**

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

	State	County	City	Centerra Metro District
2011	2.90%	0.80%	3.00%	1.75%
2012	2.90%	0.60%	3.00%	1.75%
2013	2.90%	0.60%	3.00%	1.75%
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%

Source: City of Loveland Revenue Division

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

	Fiscal Year 2011			Fiscal Year 2020		
Tax Remitter by Category	**Tax Liability**	**Rank**	**Percentage of Total Tax Collected**	**Tax Liability**	**Rank**	**Percentage of Total Tax Collected**
Department Stores & General Merchandise	$ 7,442,395	1	23.16%	$ 8,688,649	1	18.00%
Grocery Stores & Specialty Foods	3,253,291	3	10.13%	5,899,288	2	12.22%
Restaurants & Bars	3,918,015	2	12.19%	5,622,213	3	11.65%
Building Materials, Lawn & Garden Supplies	2,105,270	4	6.55%	4,926,246	4	10.21%
Motor Vehicle Dealers, Auto Parts & Leasing	1,968,968	6	6.13%	4,203,030	5	8.71%
Electronic Shopping & Mail-Order Houses				2,423,943	6	5.02%
Utilities	1,663,707	7	5.18%	2,240,525	7	4.64%
Used Merchandise Stores	913,438	10	2.84%	1,740,971	8	3.61%
Clothing & Clothing Accessories Stores	4,382,665	5	7.42%	1,409,779	9	2.92%
Sporting Goods, Hobby, Book & Music Stores	1,566,969	8	4.88%	1,378,950	10	2.86%
Broadcasting & Telecommunications	1,319,015	9	4.11%			
Total (Top Ten Principal Remitters only)	**$ 28,533,733**		**82.59%**	**$ 38,533,594**		**79.84%**
Total Sales Tax Collected	**$ 32,129,140**			**$ 48,269,460**		

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

Source: City of Loveland Sales Tax

Schedule 8
City of Loveland, Colorado
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

	Governmental Activities				Business-Type Activities						
Fiscal Year	Capital Leases	Certificates of Participation	Oversizing Agreements	IGA for Apparatus	Oversizing Agreements	Water/Waste-water Board Loan	Electic & Communication Loan	Capital Leases	Total Primary Government	Percentage of Personal Income	Per Capita
2011	-	-	4,991,609	-	-	-		30,237	5,021,846	0.20%	74.3
2012	-	-	4,552,404	-	-	-		-	4,552,404	0.17%	66.1
2013	53,132	-	4,452,404	-	-	100,000		-	4,605,536	0.15%	63.2
2014	-	-	4,095,285	-	-	100,000		-	4,195,285	0.14%	58.3
2015	-	-	3,727,893	-	10,678	10,206,594		-	13,945,165	0.43%	187.6
2016	-	-	3,584,914	-	10,678	13,200,000		-	16,795,592	0.50%	225.7
2017	-	15,900,000	2,808,389	-	-	13,150,000		-	31,858,389	0.89%	421.1
2018	4,134,297	15,900,000	2,161,206	-	48,652	36,880,000		-	59,124,155	1.54%	779.6
2019	3,901,848	15,900,000	1,554,023	961,811	109,591	35,575,000	85,015,000	-	143,017,273	3.42%	1,851.8
2020	3,661,054	15,540,000	1,180,149	811,811	118,274	34,225,000	85,015,000	-	140,551,288	3.27%	1,826.0

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.

In Business-Type Activities the following loans were made:

- A loan of $6,000,000 was made in 2013 from Electric to Water to help fund the replacement of aging infrastructure.

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, 2020

	Debt Oustanding	Percentage Applicable to Loveland[1]	Loveland's Share of Debt
Governmental Unit			
City of Loveland - Debt Applicable to Debt Limit	$ 20,381,203	100.0%	$ 20,381,203
Thompson R2-J School District	249,161,016	59.6%	148,499,966
Total			**$ 168,881,169**

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 6/30/2020

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

	2011	2012	2013
Debt Limit	204,606,142	207,323,789	212,505,288
Total net debt applicable to limit	-	-	-
Legal debt margin	$ 204,606,142	$ 207,323,789	$ 212,505,288
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 2020

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

2014	2015	2016	2017	2018	2019	2020
215,026,668	252,345,735	258,781,268	315,872,211	322,651,905	378,228,794	383,115,598
-	-	-	15,900,000	15,900,000	15,900,000	15,540,000
$ 215,026,668	$ 252,345,735	$ 258,781,268	$ 299,972,211	$ 306,751,905	$ 362,328,794	$ 367,575,598
0.00%	0.00%	0.00%	5.03%	4.93%	4.20%	4.06%

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	
2011	3,509,743	2,573,849	935,894	-	-	-	-
2012	3,792,017	2,647,869	1,144,148	-	-	-	-
2013	9,297,087	8,938,200	358,887	-	-	-	-
2014	10,667,855	10,070,110	597,745	-	3,296	3,296	181.35
2015	11,944,794	10,449,268	1,495,526	-	28,251	28,251	52.94
2016	13,763,155	10,644,392	3,118,763	-	315,865	315,865	9.87
2017	27,854,645	21,040,959	6,813,686	600,000	413,835	1,013,835	6.72
2018	31,132,049	20,367,429	10,764,620	620,000	533,760	1,153,760	9.33
2019	101,007,770	83,980,901	17,026,869	1,305,000	3,662,902	4,967,902	3.43
2020	106,855,751	83,669,093	23,186,658	1,350,000	5,132,881	6,482,881	3.58

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 2014 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 will start in 2023.

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]
2010	66,572	$ 2,487,662,496	$ 37,368	36.9	8.2
2011	67,581	$ 2,557,535,364	$ 37,844	35.3	8.7
2012	68,825	$ 2,736,963,775	$ 39,767	38.7	7.7
2013	72,846	$ 3,009,341,106	$ 41,311	38.1	6.5
2014	71,985	$ 3,085,709,010	$ 42,866	37.7	4.8
2015	74,349	$ 3,240,426,816	$ 43,584	38.4	3.8
2016	74,427	$ 3,372,882,786	$ 45,318	39.1	3.2
2017	75,655	$ 3,564,636,635	$ 47,117	40.1	2.5
2018	75,840	$ 3,832,877,760	$ 50,539	40.2	2.9
2019	77,231	$ 4,184,993,428	$ 54,188	40.2	2.3
2020	76,972	$ 4,301,503,248	$ 55,884	39.9	7.4

Source:

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

[2]Larimer County, separate City statistics not available

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

Employer	2011			2020		
	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment (A)
Thompson School District R2-J	2,087	1	5.93%	2,455	1	4.82%
Medical Center of the Rockies				1,621	2	3.18%
Wal-Mart Distribution Center	989	2	2.81%	1,226	3	2.41%
City of Loveland	688	4	1.95%	841	4	1.65%
Hach Company				800	5	1.57%
McKee Medical Center	851	3	2.42%	577	6	1.13%
Nutrein/Crop Production Services	350	5	0.99%	525	7	1.03%
LPR Construction	-			500	8	0.98%
Good Samaritan Society-Loveland	-			235	9	0.46%
The Eye Laser Center of Northern CO	-			200	10	0.39%
Pinnacle Agriculture Holdings LLC	-			200	10	0.39%
Columbine Health Systems	285	8	0.81%			
Banner Health-Big Thompson Medical Group	278	10	0.79%			
Agilent Technologies	280	9	0.80%			
Kroll Factual Data	299	7	0.85%			
Abound Solar	350	6	0.99%			
Total (Top Ten Principal Employers)	**6,457**		**18.33%**	**9,180**		**18.03%**
Total City Employment	**35,220**			**50,902**		

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	2011	2012	2013	2014	2015	2016[1]	2017	2018	2019	2020[2]
Executive & Legal	14	14	18	12	12	18	21	24	24	-
City Manager	-	-	-	-	-	-	-	-	-	9
City Attorney	-	-	-	-	-	-	-	-	-	9
City Clerk	-	-	-	7	7	4	4	5	5	5
Community & Business Relations	3	1	1	1	1	1	1	1	1	1
Economic Development	-	5	6	8	8	7	8	8	8	8
Finance	48	47	45	45	45	45	48	51	51	51
Development Services	26	24	24	25	28	30	28	29	29	27
Municipal Court	-	-	-	-	-	-	-	-	-	5
Public Works	89	89	92	93	95	96	103	105	105	106
Police	134	134	136	140	144	151	159	161	161	171
Fire	66	66	73	81	83	84	92	92	92	108
Parks & Recreation	64	64	66	65	66	67	68	70	69	72
Library	30	30	31	31	32	32	32	32	33	32
Cultural Services	12	12	13	13	13	13	13	14	14	15
Human Resources	10	13	13	13	14	13	13	14	14	14
Information Technology	21	21	21	21	23	23	23	23	23	22
Golf - Parks & Recreation	14	14	13	13	13	14	14	14	14	14
Water & Power	115	115	115	121	129	132	136	143	145	179
Solid Waste - Public Works	28	28	28	28	28	28	29	30	30	31
Stormwater - Public Works	14	15	15	15	15	14	15	17	17	17
Total	688	692	710	732	756	772	807	833	835	896

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 Municpial Court.

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

Function/Program	2011	2012	2013	2014	2015
General Government					
Building Permits Issued	1,854	2,161	1,932	2,324	2,762
Building Inspections Conducted	14,362	19,027	18,709	22,080	31,889
Police					
Physical Arrests (Adults)	2,767	2,981	2,750	2,616	2,604
Physical Arrests (Juveniles)	770	776	592	597[5]	708
Parking Violations	1,511	1,452	1,393	1,379	1,784
Traffic Violations	9,897	9,581	9,754	10,811	10,363
Fire					
Emergency Responses	6,265	6,283	6,436	7,005	7,501
Fires Extinguished	110	107	82	58	64[3]
Business Inspections	143	144	266	300	348
Solid Waste Collection					
Solid Waste Collected (tons per day)	96	96	93	97	99
Recyclables Collected (tons per day)	33	35	33	27	27
Yard Waste Collected (tons per day)	108	115	159	33[1]	33[1]
Other Public Works					
Street Resurfacing (miles)	17	13	21	15	16
Potholes Repaired	1,502	1,251	1,402	3,810	3,911
Parks and Recreation					
Athletic Field & Court Reservations	7,221	6,610	10,548	12,513	10,698
Chilson Center Admissions	386,753	432,458	468,124	468,015	464,561
Rounds of Golf	117,059	127,562	104,597	115,311	120,940
Library					
Volumes in Collection (Physical)	148,005[2]	155,450[2]	156,242[2]	150,247[2]	149,613[2]
Volumes in Collection (Digital)	-	9,959[2]	14,093[2]	25,722[2]	421,596[2]
Water					
New Connections	188	257	251	268	450
Water Main Breaks	99	76	77	75	68
Average Daily Consumption (thousands of gallons)	10,145	11,513	9,430	9,546	10,003
Peak Daily Consumption (thousands of gallons)	25,000	26,800	26,600	25,300	27,400
Wastewater					
Average Daily Sewage Treatment (thousands of gallons)	6,390	5,900	6,410	6,500	6,500
Power	731,522	742,507	752,039	754,461	753,665
Megawatt hours (purchased from PRPA)					
Transit					
Total Route Miles	228,532	234,976	221,396	230,055	247,576
Passengers	133,355	142,169	142,573	139,199	140,235

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

2 As of 2015, Library Volumes in Collection will be reported as physical vs. digital. Years 2012-2014 were revised retroactively to reflect this distinction.

2016	2017	2018	2019	2020
2,624	2,581	2,757	2,356	3,210
28,787	26,267	25,242	28,535	26,720
2,825	3,029	2,964	3,099	See Footnote 6
552	641	799	829	See Footnote 6
1,857	1,826	2,333	1,957	See Footnote 6
7,775	9,799	12,524	13,654	See Footnote 6
7,915	8,393	8,452	8,846	9,002
136[3]	167	164	164	179
416	287	429	518	108[7]
98	99	104	99	101
28	27	27	26	26
39	39	39	38	38
17	10	25	27	29
5,653	3,258	4,015	5,824	4,308
16,928	17,564	14,086	13,030	8,410
464,059	445,713	442,679	464,562	162,218
118,348	117,494	109,560	106,016	123,275
152,993	134,595	127,786	124,000	124,444
537,219	49,386[4]	65,885	85,150	37,359[8]
403	370	286	270	425
88	48	56	45	39
10,613	10,160	10,707	9,926	10,777
27,300	27,426	27,698	24,813	26,788
6,530	6,158	5,970	5,933	5,934
731,596	724,614	741,955	724,032	711,481
238,217	236,905	279,970	305,415	289,701
116,964	105,917	104,144	118,236	74,213

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] 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.

[5] 2014 Juvenile arrest statistic added with historical counts. Previously reported arrests were adult arrests only.

[6] A new record system was implemented during 2020, statistics are unavailable for 2020.

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

[8] Two subscription services consolidated in 2020 reducing the number of volumes by approximately 40,000.

Source: City of Loveland Departments

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

	2011	2012	2013	2014	2015
Police					
Stations	1	1	1	1	1
Divisions / Units	12	12	12	12	12
Fire Stations	6	6	6	6	6
Solid Waste Collection					
Collection Trucks	23[5]	23[5]	24[5]	22[5]	24[5]
Other Public Works					
Highways (miles)[1]	24	25	25	24	24
Streets (miles)[1]	328	329	331	340	340
Traffic Signals	93	94	94	94	94
Parks and Recreation					
Acreage - Developed Park	388	388	388	388	438
Playgrounds	27	27	27	27	28[3]
Splash Parks	2	2	2	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
Water					
Water Mains (miles)	435	436	437	442	451
Fire Hydrants	2,860	2,870	2,899	2,961	3,017
Storage Capacity (thousands of gallons)	20,300	20,300	20,300	20,300	20,300
Wastewater					
Sanitary Sewers (miles)	334	334	336	341	342
Treatment Capacity (thousands of gallons)	10,000	10,000	10,000	10,000	10,000
Power					
Overhead Conductors (miles)	305	304	297	299	298
Underground Conductors (miles)	991	1,014	1,028	1,062	1,084
Streetlights	5,734	5,872	5,879	6,040	6,055
Transit					
Fixed Route[2]	5	5	6	6	6
Paratransit[2]	5	5	4	4	4

Note:

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

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

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

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

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

Source: City of Loveland Departments

2016	2017	2018	2019	2020
1	1	1	1	1
12	12	12	12	12
6	6	6	6	7
24	22	22	22	22
24	24	24	119	131
343	343	313	229	239
94	97	95	95	96
438	438	453	453	453
28	28	28	28	28
2[4]	2	2	2	2
30	30	30	30	30
38	38	38	39	39
1	1	1	1	1
456	459	463	483	469
3,103	3,134	3,171	3,295	3,247
20,300	20,300	20,560	20,560	20,560
348	350	353	373	359
10,000	10,000	10,000	10,000	10,000
297	289	287	283	282
1,097	1,121	1,122	1,135	1,137
6,188	6,237	6,435	6,454	6,716
7	6	9	9	9
2	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.

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.

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 asses with estimated costs, sources of funding and timing of projects over a five-year period.

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

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

CDBG: Community Development Block Grant.

CDOT: Colorado Department of Transportation.

CEF: Capital Expansion Fee (see definition above).

CFAC: Citizens' Finance Advisory Commission.

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

CIRSA: Colorado Intergovernmental Risk Sharing Agency

ColoTrust: Colorado Government Liquid Asset Trust.

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

CPI: Consumer Price Index.

CSAFE: Colorado Surplus Asset Fund Trust

CSR: Complete Solution Robotics

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

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, refuse, 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 Authority

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.

PDPA: Public Deposit Protection Act

Per capita: An average per person.

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

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

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

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

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

PRPA: Platte River Power Authority.

Q-R

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

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

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

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

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

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

RSI: An abbreviation for Required Supplemental Information.

S

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.

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

T-U

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

TIF: Tax Increment Finance

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

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

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

V-Z

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

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

WRF: Water Reclamation Facility

WWTP: Wastewater Treatment Plant

Compliance



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

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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, 2020 and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 19, 2021.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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*.

PRAXITY™ Empowering Business Globally

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plante & Moran, PLLC

May 19, 2021

plante moran

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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

We have audited the City of Loveland, Colorado's (the "City") compliance with the types of compliance requirements described 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, 2020. 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.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of 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, 2020.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

PRAXITY™ Empowering Business Globally

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

May 19, 2021

City of Loveland, Colorado

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2020

Federal Agency/Pass-through Agency/Program Title	CFDA Number	Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
U.S. Department of Housing and Urban Development				
Direct - CDBG - Entitlement Grants Cluster:				
Community Development Block Grants/Entitlement Grants	14.218	N/A	$ 299,825	$ 363,672
COVID-19 - Community Development Block Grants/Entitlement Grants	14.218	N/A	-	59,624
Total U.S. Department of Housing and Urban Development			299,825	423,296
U.S. Department of Transportation				
Direct:				
Airport Improvement Program	20.106	N/A	-	259,912
COVID-19 - Airport Improvement Program	20.106	N/A	-	200,498
Passed through Colorado Department of Transportation:				
Highway Planning and Construction Cluster - Highway Planning and Construction	20.205	AQC M830-086 20617 ER M830-084 20540 SHO M830-062 19060 AQC M830-086 20617 18-HA4-XC-00055 20-HA4-XC-00052 411009206	-	3,724,707
State and Community Highway Safety	20.600	21-01-23	-	138,555
State and Community Highway Safety	20.600	411016570	-	16,902
Total State and Community Highway Safety			-	155,457
Total U.S. Department of Transportation			-	4,340,574
Federal Transit Authority				
Direct - Federal Transit Cluster:				
Bus and Bus Facilities Formula Program	20.526	CO-2020-014-00	-	726,616
Federal Transit Formula Grants	20.507	CO-2020-027-00	-	729,581
Federal Transit Formula Grants	20.507	CO-2020-022-00	-	554,673
Total Federal Transit Authority			-	2,010,870
U.S. Department of Justice				
Passed through Colorado Division of Criminal Justice - Edward Byrne Memorial Justice Assistance Grant	16.738	2019-DJ-BX-0371	-	18,713
U.S. Department of Homeland Security				
Passed through Colorado Department of Public Safety - Emergency Management Performance Grant	97.042	N/A	-	55,000
National Historic Preservation Fund				
Passed through Dept. of Higher Education, History Colorado - Historic Preservation Fund Grants-In-Aid	15.904	CO-19-10006	-	14,812
Department of Natural Resources				
Passed through Colorado Parks and Wildlife Outdoor Recreation Acquisition, Development and Planning	15.916	CMS# 127544	-	200,000
U.S. Treasury Department				
Passed through Colorado Department of Local Affairs COVID-19 - Coronavirus Relief Fund	21.019	CVRF CM-031	823,736	3,666,434
Institute of Museum and Library Sciences				
Passed through Colorado Department of Education - State Library COVID-19 - Grants to States	45.310	N/A	-	7,200
National Endowment for the Humanities				
Passed through Colorado Humanities COVID-19 - Promotion of the Humanities	45.129	N/A	-	4,667
Total federal awards			**$ 1,123,561**	**$ 10,741,566**

See notes to schedule of expenditures of federal awards.

Notes to Schedule of Expenditures of Federal Awards

Year Ended December 31, 2020

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, 2020. 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, except for expenditures related to CFDA 21.019, Coronavirus Relief Fund (CRF). CRF does not apply 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*, but rather applies the U.S. Department of Treasury's guidance and frequently asked questions, as outlined in the 2020 Compliance Supplement Addendum. 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, 2020

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?	____ Yes	X 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	
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:

CFDA Number	Name of Federal Program or Cluster	Opinion
14.218	Community Development Block Grants/Entitlement Grants	Unmodified
20.507, 20.526	Federal Transit Cluster	Unmodified
21.019	Coronavirus Relief Fund	Unmodified

Dollar threshold used to distinguish between type A and type B programs:	$750,000		
Auditee qualified as low-risk auditee?	____ Yes	X No	

Section II - Financial Statement Audit Findings

None

Section III - Federal Program Audit Findings

None

CITY OF LOVELAND
FINANCE DEPARTMENT
500 East Third, Suite 320 • Loveland, Colorado 80537
(970) 962-2695 • FAX (970) 962-2918 • TDD (970) 962-2620

City of Loveland, Colorado
December 31, 2020
Summary Schedule of Prior Audit Findings

Prior Year Finding Number:
2019-001

Fiscal Year in Which the Finding Initially Occurred:
2019

Federal Program, CFDA Number and Name:
97.044 - Assistance to Firefighters Grant

Original Finding Description:
The controls established by the City do not provide reasonable assurance of the accuracy of the required submitted reports or compliance with the reporting requirements. In the particular instance noted, the required report was filed with the federal awarding agency with inaccurate and incomplete information.

Status:
Corrective Action Taken

Planned Corrective Action:
N/A

The public report burden for this information collection is estimated to average 380 hours annually. Form # 350-050-36

LOCAL HIGHWAY FINANCE REPORT	City or County: City of Loveland, Colorado
	YEAR ENDING : December 2020

This Information From The Records Of City of Loveland, Colorado	Prepared By:	Mona Brooks	Joyce Robinson
	Phone:	970-962-2312	970-962-2313

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

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	8,922,020
3. Other local imposts (from page 2)	8,325,528
4. Miscellaneous local receipts (from page 2)	4,339,498
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	21,587,046
B. Private Contributions	8,391,328
C. Receipts from State government (from page 2)	3,983,429
D. Receipts from Federal Government (from page 2)	3,347,988
E. Total receipts (A.7 + B + C + D)	37,309,791

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	17,761,099
2. Maintenance:	3,975,848
3. Road and street services:	
a. Traffic control operations	1,798,093
b. Snow and ice removal	513,559
c. Other	
d. Total (a. through c.)	2,311,652
4. General administration & miscellaneous	2,211,862
5. Highway law enforcement and safety	11,049,330
6. Total (1 through 5)	37,309,791
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	0
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	37,309,791

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	37,309,791	37,309,791		0

Notes and Comments:

FORM FHWA-536 (Rev. 1-05) PREVIOUS EDITIONS OBSOLETE (Next Page)

1

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): December 2020

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	0
b. Other local imposts:		b. Traffic Fines & Penalities	867,965
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees	6,681,806	d. Parking Meter Fees	0
3. Liens		e. Sale of Surplus Property	3,350
4. Licenses	8,100	f. Charges for Services	3,424,785
5. Specific Ownership &/or Other	1,635,622	g. Other Misc. Receipts	1,148
6. Total (1. through 5.)	8,325,528	h. Other Opticom, PRPA	42,250
c. Total (a. + b.)	8,325,528	i. Total (a. through h.)	4,339,498
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user taxes	2,372,411	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	300,997
b. Project Match		c. HUD	0
c. Motor Vehicle Registrations	287,731	d. Federal Transit Admin	
d. Other (Specify) CDOT	1,240,547	e. U.S. Corps of Engineers	
e. Other (Specify) Other Multiple	82,741	f. Other Federal	3,046,991
f. Total (a. through e.)	1,611,018	g. Total (a. through f.)	3,347,988
4. Total (1. + 2. + 3.f)	3,983,429	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS 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	453,016	0	453,016
b. Engineering Costs	164,405	611,333	775,738
c. Construction:			
(1). New Facilities	113,874	723,635	837,509
(2). Capacity Improvements	4,680,365	0	4,680,365
(3). System Preservation	0	6,743,474	6,743,474
(4). System Enhancement & Operation	21,035	4,249,962	4,270,997
(5). Total Construction (1) + (2) + (3) + (4)	4,815,274	11,717,071	16,532,345
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	5,432,695	12,328,404	17,761,099
			(Carry forward to page 1)

Notes and Comments:

FORM FHWA-536 (Rev.1-05) PREVIOUS EDITIONS OBSOLETE