2021 Annual Comprehensive Financial Report

City of Loveland

December 31, 2021

City of Loveland, CO

City of Loveland, Colorado

Annual Comprehensive Financial Report

For the fiscal year ended
December 31, 2021

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

Prepared by the Finance Department

Joyce Robinson, Accounting Manager
Jeff Miller, Senior Accountant
Kristi Arnold, Accountant
Mona Brooks, Accountant
Amity Engelhardt, Accountant
Gemma Ray, Accountant
Tamara Hansen, Accounting Technician
Stacy Hassler, Accounting Technician
Sarah Knapp, Accounting Technician
Chloe Romero, Budget Analyst

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Introduction

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

City of Loveland

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

June 3, 2022

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

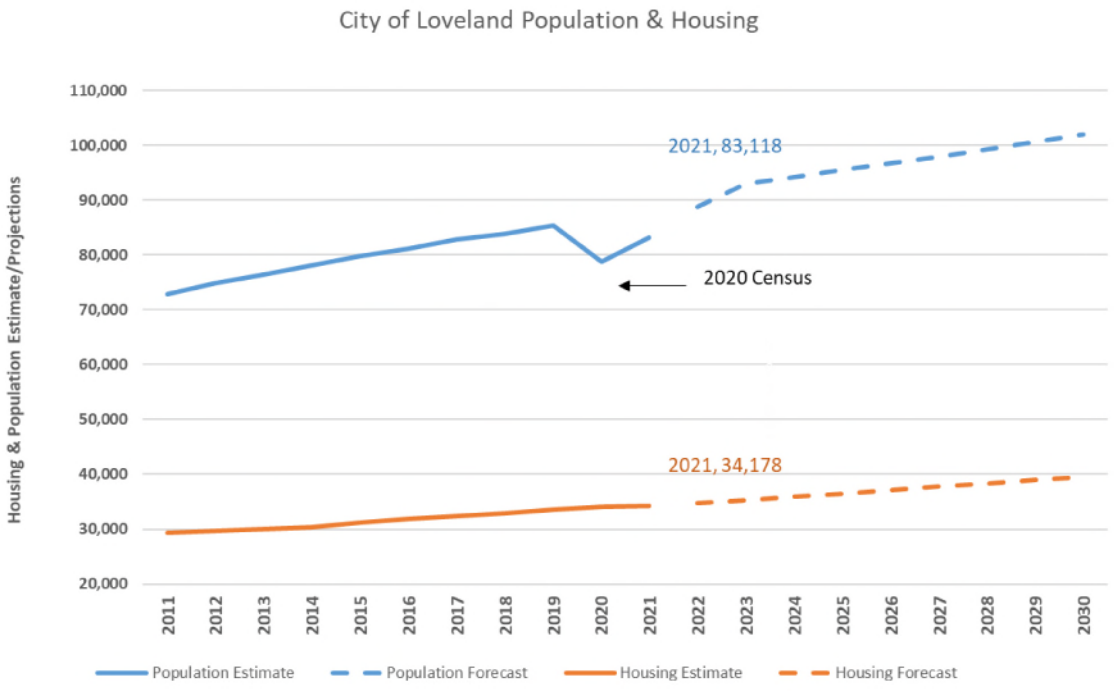
We are pleased to present the Annual Comprehensive Financial Report for the year ended December 31, 2021. State law requires that every general purpose local government publish within six months of the fiscal year end (fiscal year is the calendar year by Charter) a complete set of audited financial statements. The City's Charter requires an annual audit performed by a public accounting firm selected by the City Council. This report is published to fulfill these requirements. The report shows the City's continued progress in making strategic investments in capital projects and infrastructure.

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

Plante & Moran, PLLC, Certified Public Accountants, have issued an unmodified opinion ("clean opinion") on the City of Loveland's financial statements for the year ended December 31, 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.

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 83,118 representing approximately 34,178 households.



Source: State of Colorado Demography website
Data as of April 15,2022

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 comprises nine members. The City is divided into four representation wards. There are two council members from each of those wards that serve staggered four-year terms and a Mayor elected at large that serves a two-year term. The Mayor presides over the City Council meetings and has an equal vote on actions taken by the Council.

The City of Loveland is a full-service organization including electric power services and solid waste/recycling services. Services also include water, wastewater, broadband, golf courses, stormwater, police, library, culture (museum, theater, Arts 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 and also the Northern Colorado Law Enforcement Training Center. A separate report is issued for the operation of the Airport, which includes federal grant requirement compliance and passenger facility charge reporting. All governing and reporting relationships are disclosed in the footnotes to the financial statements.

The budget is required to be submitted to City Council by the first Tuesday of October each year, unless City Council sets a different date. It is required to include the capital improvements for the budget year plus an additional four years, however, a 10-year capital improvement program is included. It must provide a complete financial plan for the City in a format acceptable to City Council. Except as otherwise provided by the Charter, the proposed budget must be prepared in accordance with the City Charter, state statutes establishing the local government budget laws, and the local government uniform accounting laws. A public hearing is required and two readings of applicable budget ordinances, followed by a majority "yes" vote by the full City Council, adopts the budget, setting the appropriation for the year at the fund level. Any

supplemental appropriations must be approved using the same procedures outlined above for the original adoption of the budget. Currently, departments have the flexibility, with the appropriate approvals, to move money between divisions within the same accounting fund. However, any funding moved between accounting funds requires a supplemental appropriation, public hearing and two readings of the ordinance by Council.

Local Economy

Major employers in the City include the school district, manufacturing, construction, agricultural, 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 growing faster than most other parts of the state and Colorado continues to be among the fastest growing states for the last five years.

The local economy has continued to rebound in the past year to pre-COVID levels. According to Colorado Department of Labor and Employment data, the local unemployment rate at the end of December 2021 was 4.2%, which is for the Fort Collins-Loveland metropolitan statistical 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. Future projects are designed to create a more attractive and vibrant downtown in Loveland. One of the projects, Heart Improvement Project (HIP) Streets, will create a vastly improved pedestrian experience and better walkability for our historic downtown area. City Council is using this recovery period to position Loveland as the front runner in Northern Colorado to attract new businesses to the City.

Recovery from the flood event of September 2013 continued into 2021. Total recovery expenditures as of December 31, 2021 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.

Long-Term Financial Planning

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

The 2022 10-year Financial Master Plan shows reason for cautious planning. Budget projections for the General Fund Unassigned Fund Balances in upcoming years appear to be insufficient to maintain status quo operations and maintenance along with funding the entire 10-year Capital Plan which is very conservative at $3,000,000 a year from 2023 through 2031. 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 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 2021 growth have been applied.

Major Initiatives

The construction of Pulse, the City of Loveland's Municipal Fiber Network was one the most significant

projects in 2021. In addition to the construction of this service the City completed the Northern Colorado Regional Police Training Facility with a total cost of $17.6 million in a 50/50 partnership with the City of Fort Collins. Another major initiative was the start of construction on Chimney Hollow reservoir which will hold 90,000-acre feet of water when completed and filled. The City's share will be 10,000-acre feet of storage in the reservoir.

Three major capital projects were completed in 2021; Water Reclamation Facility renovation $39.8 million; Street Rehabilitation in the amount of $31.0 million; and the 29th Street 5 Million Gallon Treated Water Storage Tank #2 for $7.4 million.

Awards and Acknowledgments

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Loveland, Colorado for its Annual Comprehensive Financial Report for the year ended December 31, 2020. This was the 41st consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized Annual Comprehensive Financial Report that satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements, and the City is submitting it to the GFOA to determine its eligibility for another certificate.

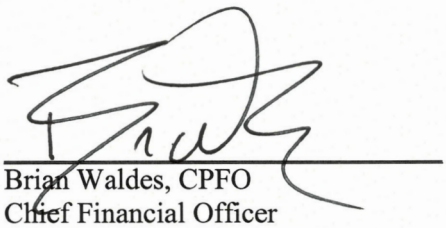
The Government Finance Officers Association (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Loveland, Colorado for its Popular Annual Financial Report (PAFR) for the year ended December 31, 2020. This was the seventh consecutive year that the 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 2021. It is the thirty-eighth consecutive year that the City will have received the budget presentation award. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device. Preparation of a Annual Comprehensive Financial Report is a complex task and one that requires considerable expertise and experience. More importantly, the ongoing maintenance and reporting of the City's financial condition at the level to which Loveland has been accustomed to requires professionalism and dedication. The City is fortunate to have a very talented accounting staff willing to undertake these efforts year after year. The City expresses sincere thanks to the entire accounting staff of the City, while Accounting Manager 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 2021 Annual Comprehensive Financial Report.

Respectfully Submitted,

Stephen C. Adams
City Manager



Brian Waldes, CPFO
Chief Financial Officer

CITIZENS OF LOVELAND

CITY COUNCIL

Mayor
Jacki Marsh

Ward I
Richard Ball

Ward I
Patrick McFall

Ward II
Andrea Samson

Ward II
Dana Foley

Ward III
John Fogle

Ward III
Steve Olson

Ward IV
Jon Mallo

Ward IV - Mayor Pro Tem
Don Overcash

Boards & Commissions

The City currently has 25 boards and commissions and one ad-hoc commission. These boards and commissions 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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

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.

Plante & Moran, PLLC
1098 Woodward Avenue
Detroit, MI 48226-1906
Tel: 313.496.7200
Fax: 313.496.7201
plantemoran.com

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Loveland, Colorado (the "City") as of and for the year ended December 31, 2021 and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2021 and the respective changes in its financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the City and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 15 to the financial statements, the 2020 basic financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statements date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplemental information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required 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.

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

Supplemental 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 other supplemental information, as identified in the table of contents; Local Highway Finance Report; and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"), are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information, Local Highway Finance Report, and schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements or whether the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 3, 2022 on our consideration of the City'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's internal control over financial reporting and compliance.

Plante & Moran, PLLC

June 3, 2022

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, 2021. 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 and to participate in the construction of a reservoir at Chimney Hollow. 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 2021 by $1,305,654,708 (net position). This amount is comprised of $625,615,908 in Governmental Activities and $680,038,800 in Business-type Activities. Of the net position amount, $179,247,740 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 $79,981,596 from the prior year, of which $52,005,837 is attributable to governmental activities and $27,975,759 to business-type activities.
- At the close of 2021, the City's governmental activities reported a combined ending fund balance of $132,118,278, which is an increase of $34,927,545 from prior year; $39,028,103 of the balance is unassigned.
- At the close of 2021, the General Fund unassigned fund balance was $40,621,338 or 50% of total General Fund operating expenditures. This is $12,870,853 higher than at the close of 2020.
- The City's outstanding debt of $192,360,071 at the end of 2021 increased by $51,808,783. This increase is primarily due to the issuance of a bond for the construction of Chimney Hollow reservoir for the amount of $52,340,000.

MAJOR INITIATIVES AND IMPACTS

The City's fiscal position is recovering resulting in an increasing General Fund Balance due to a robust sales tax revenue stream in 2021.

The City's General Fund Balance was $33,480,759 at the close of 2020 and $47,872,078 at the close of 2021. This is a total increase of $14,391,319. This increase shows a strong recovery for 2021 and past reductions in expenditures have been restored for 2021 and 2022. The City received the first American Rescue Plan Act of 2021 (ARPA) payment from the Federal Government of $4.7 million and expects to receive the second payment of $4.7 million in June 2022.

The first quarter of Fiscal Year 2021 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. This shortfall was not realized in 2021, which was a strong year for revenue, the General Fund increased in operating revenue from $91,768,812 in 2020 to $109,777,331 in 2021.

The increase in revenue and fund balance for 2021 will help to address any new challenges in the future. Inflation, supply chain issues, and the possibility of a recession are challenges in the coming year. To meet these challenges, a new format of budget presentation will be presented to City Council. This will be a day long retreat for their strategic input into the challenges which include housing issues and increasing prices. It is the direction of the City to be proactive to these challenges instead of reactive.

2021 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. Voluntary service connections will happen as areas are built out and service becomes available. Budget - $64.7 million; 2021 cost-to-date- $45.9 million.

2. Chimney Hollow Reservoir: A collaboration between 12 Northeastern Colorado water providers to improve the reliability of the 1985 Windy Gap Project which is operated by Northern Water's Municipal district. The firming project will build a new East Slope reservoir called Chimney Hollow to provide dedicated storage to supply a reliable 90,000 acre-feet of water each year for future generations. The City's share of this storage will be 10,000 acre-feet. The reservoir will be immediately west of the existing Carter Lake in southern Larimer County. Budget - $77.4 million; 2021 cost-to-date- $75.1 million. The City's share of the project financing for this project was included in the 2021 budget and the actual financing and construction of the project was started in 2021. All legal issues impacting the construction of the reservoir have been resolved.

3. 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. The total cost of this project was $39.8 million. This project was completed 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. The total cost for the project was $17.6 million.

5. 29th Street 5.0 Million Gallon Storage Tank #2: The 29th Street steel tank is one of the most utilized storage facilities supporting over a quarter of the City's water customers. This project provided a second 5.0-million-gallon storage tank at this critical location. This project was completed in 2021 for a total cost of $7.4 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 Administration (FHWA), however the City was required to fund all flood response and recovery projects out of cash on hand. The State of Colorado, who is administering the funds for FEMA, holds 10% of all projects until they are closed out by FEMA. The City has met this withholding percentage on all but a few small projects. The 10%, and the small few that have not hit that withholding percentage yet, will be paid when the project is closed out by FEMA. As of December 31, 2021, the City incurred recovery expenses of $40.9 million and received total reimbursements of $30.6 million. The City is still expecting to receive $2.2 million from closeouts on FEMA projects over the next several years. Money received to date is broken out as follows:

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

Softening Growth in Sales Tax:

The City had been experiencing a softening sales tax revenue stream in recent years. Prior to 2021, the last five (5) years averaged 3.4% 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 2021, sales tax comprised 50.2% of total General Fund revenues and realized its strongest growth in the last ten years. This increase in sales tax revenue is expected to continue in the near future which will continue to provide strength to the General Fund balance.

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
2011	65,634,144	32,248,567	49.1%	0.0%
2012	68,865,150	34,539,752	50.2%	7.1%
2013	67,638,678	36,872,201	54.5%	6.8%
2014	74,694,486	39,360,657	52.7%	6.7%
2015	76,653,388	40,522,951	52.9%	3.0%
2016	78,508,132	42,371,545	54.0%	4.6%
2017	81,085,397	44,119,468	54.4%	4.1%
2018	85,537,294	45,574,851	53.3%	3.3%
2019	87,823,622	47,921,968	54.6%	5.2%
2020	91,768,812	47,933,998	52.2%	0.0%
2021	105,508,194	53,004,011	50.2%	10.6%

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

OVERVIEW OF 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 $1,305,654,708 as of December 31, 2021.

Net Position

Combined net position of the City of Loveland at December 31, 2021 are as follows:

CITY OF LOVELAND, COLORADO
STATEMENT OF NET POSITION

	Governmental Activities		Business-Type Activities		Total		Total % of Change
	2021	2020	2021	2020	2021	2020	
Current and other assets	$ 227,376,930	$ 186,805,681	$ 177,288,347	$ 201,147,045	$ 404,665,277	$ 387,952,726	4.3%
Capital assets	490,932,970	463,834,206	712,030,079	604,098,506	1,202,963,049	1,067,932,712	12.6%
Total Assets	**718,309,900**	**650,639,887**	**889,318,426**	**805,245,551**	**1,607,628,326**	**1,455,885,438**	**10.4%**
Deferred Outflows of Resources	101,700	101,700	259,757	277,671	361,457	379,371	(4.7)%
Total Assets and Deferred Outflows of Resources	**718,411,600**	**650,741,587**	**889,578,183**	**805,523,222**	**1,607,989,783**	**1,456,264,809**	**10.4%**
Long-term liabilities	33,072,308	24,709,652	174,514,591	127,961,406	207,586,899	152,671,058	36.0%
Other liabilities	26,327,341	21,459,420	34,546,590	25,143,413	60,873,931	46,602,833	30.6%
Total Liabilities	59,399,649	46,169,072	209,061,181	153,104,819	268,460,830	199,273,891	34.7%
Deferred Inflows of Resources	33,396,043	30,880,832	478,202	355,362	33,874,245	31,236,194	8.4%
Total Liabilities and Deferred Inflows of Resources	**92,795,692**	**77,049,904**	**209,539,383**	**153,460,181**	**302,335,075**	**230,510,085**	**31.2%**
Net Position:							
Net investment in capital assets	461,306,590	442,641,192	568,110,085	540,618,535	1,029,416,675	983,259,727	4.7%
Restricted-Nonspendable	3,557,076	3,482,654	-	-	3,557,076	3,482,654	2.1%
Restricted	43,496,723	34,389,349	49,936,494	55,601,577	93,433,217	89,990,926	3.8%
Unrestricted	117,255,519	93,096,876	61,992,221	55,842,929	179,247,740	148,939,805	20.3%
Total Net Position	**$ 625,615,908**	**$ 573,610,071**	**$ 680,038,800**	**$ 652,063,041**	**$ 1,305,654,708**	**$ 1,225,673,112**	**6.5%**

As of December 31, 2021, 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 $404,665,277 current and other assets include $319,584,310 in general and restricted cash and investments. The restricted balance of cash and investments is $107,305,727 for acquisition or construction of future capital assets or the payment of debt.

The largest portion of the City's total net position (78.8%) 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 2021 includes Certificates of Participation of $15,170,000, compensated absences of $5,824,010, oversizing agreements of $911,443, lease purchase agreements of $12,544,937, pollution remediation of $716,475, and a loan agreement with a balance of $1,000,000. In Business-Type Activities, Municipal Fiber bonds of $85,015,000 excluding the premium, issued in 2019 and the Raw Water debt for Chimney Hollow of $52,340,000 excluding the premium, issued in 2021 make up the majority of the outstanding debt balance. The remaining debt in Business-Type activities is made up of compensated absences of $1,668,434, oversizing agreements of $143,691, Asset Retirement Obligation (ARO) liability for Hydro, $1,047,915, ARO liability for Solar, $313,500 and water and wastewater bonds of $2,405,000 and $22,830,000 respectively.

Changes in Net Position

Revenues and transfers in 2021 of $386,307,076 exceeded program expenses of $306,325,480 for an increase in net position of $79,981,596. This increase includes $40,726,204 from contributed assets and revenue restricted for capital spending. The remaining $39,255,392 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.

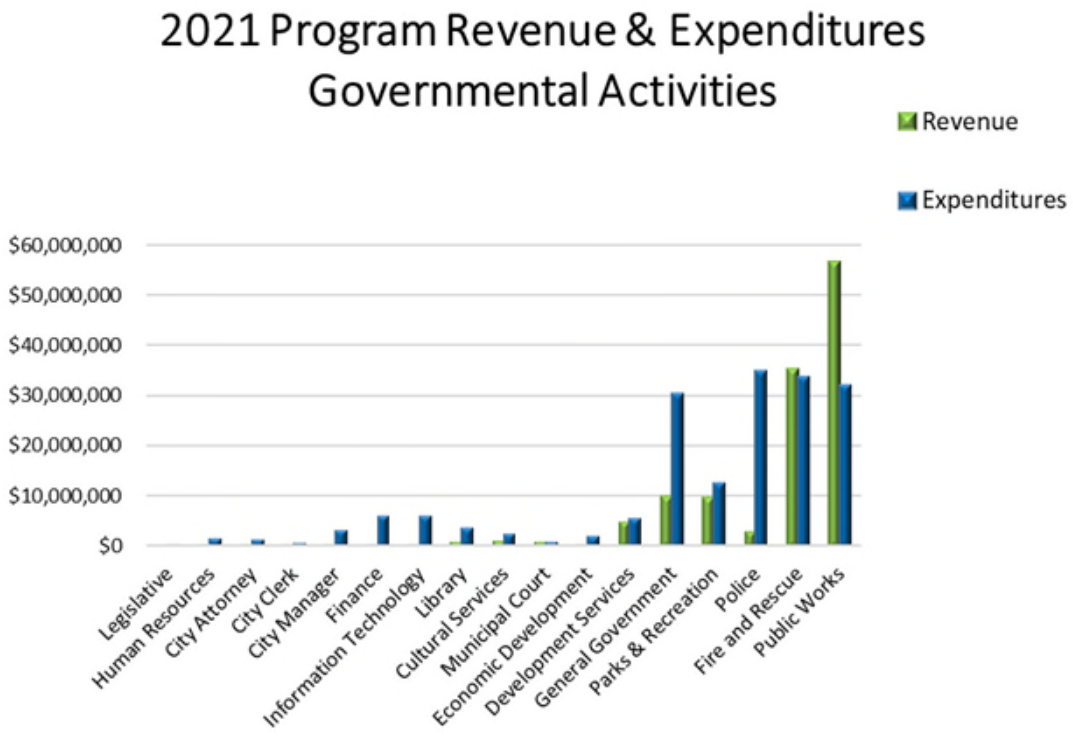
CITY OF LOVELAND, COLORADO CHANGES IN NET POSITION

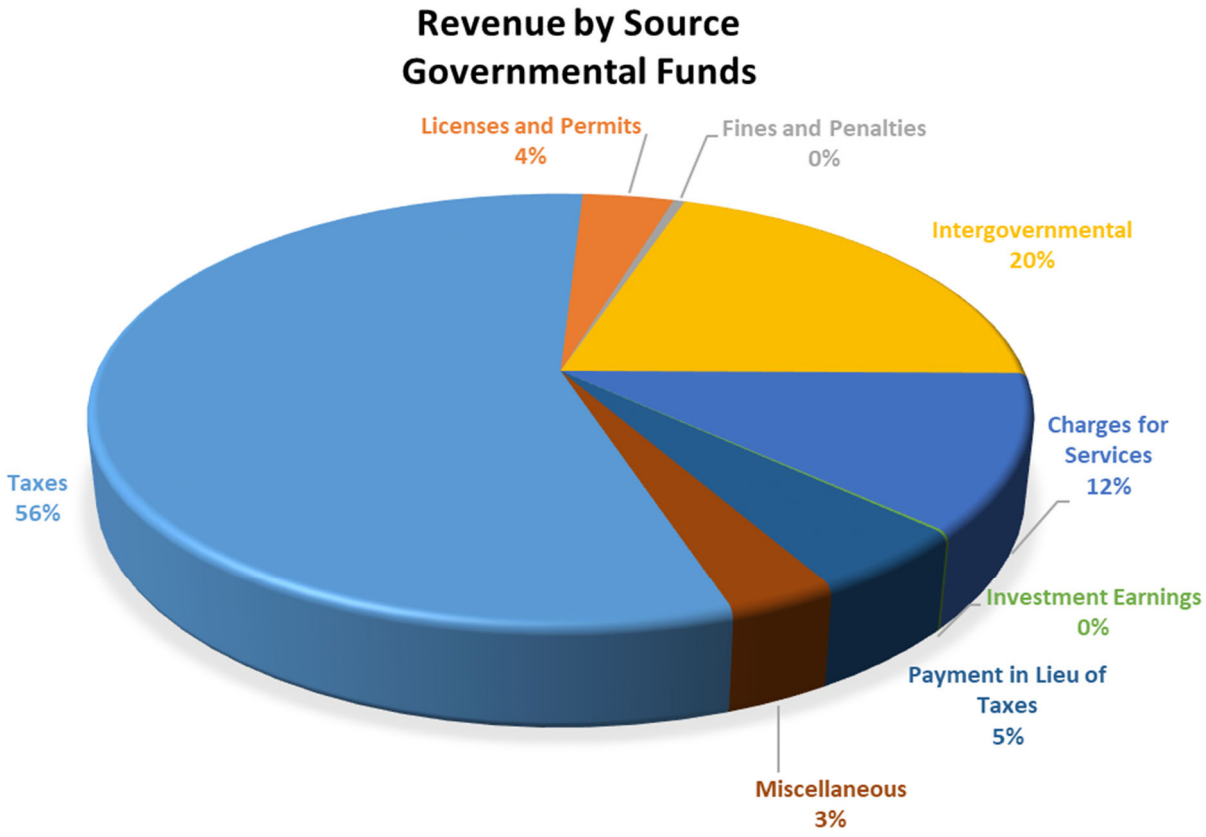
	Governmental Activities		Business-Type Activities		Total		% Change
	2021	2020	2021	2020	2021	2020	
Program Revenue							
Charges for service	$ 52,922,413	$ 45,806,921	$ 140,792,522	$ 129,191,182	$ 193,714,935	$ 174,998,103	10.7%
Operating grants/contributions	23,816,808	23,365,634	273,259	319,345	24,090,067	23,684,979	1.7%
Capital grants/contributions	46,194,664	17,076,354	19,014,070	24,821,451	65,208,734	41,897,805	55.6%
General Revenues:							
Property Taxes	30,849,766	29,121,824	-	-	30,849,766	29,121,824	5.9%
Sales and Use Taxes	68,632,108	59,647,002	-	-	68,632,108	59,647,002	15.1%
Franchise and Other Taxes	3,544,355	3,416,157	-	-	3,544,355	3,416,157	3.8%
Investment Earnings	226,628	1,343,775	(1,310,212)	3,431,421	(1,083,584)	4,775,196	(122.7)%
Other	1,115,795	221,161	234,900	240,576	1,350,695	461,737	192.5%
Total Revenues	**227,302,537**	**179,998,828**	**159,004,539**	**158,003,975**	**386,307,076**	**338,002,803**	**14.3%**
Program Expenses:							
City Manager	3,121,875	5,027,941	-	-	3,121,875	5,027,941	(37.9)%
Legislative	150,963	142,847	-	-	150,963	142,847	5.7%
City Attorney	1,283,365	1,282,582	-	-	1,283,365	1,282,582	0.1%
City Clerk	592,360	737,749	-	-	592,360	737,749	(19.7)%
Municipal Court	700,112	680,160	-	-	700,112	680,160	2.9%
Finance	6,075,509	5,822,026	-	-	6,075,509	5,822,026	4.4%
Human Resources	1,462,259	1,432,526	-	-	1,462,259	1,432,526	2.1%
Information Technology	5,953,913	6,892,385	-	-	5,953,913	6,892,385	(13.6)%
Economic Development	2,065,899	2,914,656	-	-	2,065,899	2,914,656	(29.1)%
Development Services	5,590,896	5,701,230	-	-	5,590,896	5,701,230	(1.9)%
Public Works	31,960,206	30,043,177	-	-	31,960,206	30,043,177	6.4%
Police	34,907,689	25,999,756	-	-	34,907,689	25,999,756	34.3%
Fire & Rescue	33,800,088	19,287,233	-	-	33,800,088	19,287,233	75.2%
Parks & Recreation	12,691,587	13,456,687	-	-	12,691,587	13,456,687	(5.7)%
Library	3,504,378	2,920,546	-	-	3,504,378	2,920,546	20.0%
Cultural Services	2,363,832	3,731,823	-	-	2,363,832	3,731,823	(36.7)%
General Government	30,301,034	19,008,838	-	-	30,301,034	19,008,838	59.4%
Interest on Long Term Debt	971,660	781,283	-	-	971,660	781,283	24.4%
Water	-	-	18,914,717	17,668,199	18,914,717	17,668,199	7.1%
Wastewater	-	-	14,014,978	13,747,570	14,014,978	13,747,570	1.9%
Stormwater	-	-	6,530,754	5,689,635	6,530,754	5,689,635	14.8%
Electric & Communications	-	-	76,955,901	71,180,474	76,955,901	71,180,474	8.1%
Solid Waste	-	-	8,490,265	7,774,032	8,490,265	7,774,032	9.2%
Golf	-	-	3,921,240	3,526,340	3,921,240	3,526,340	11.2%
Total Expenses	**177,497,625**	**145,863,445**	**128,827,855**	**119,586,250**	**306,325,480**	**265,449,695**	**15.4%**
Increase in net position before transfers	49,804,912	34,135,383	30,176,684	38,417,725	79,981,596	72,553,108	10.2%
Transfers	2,200,925	2,786,538	(2,200,925)	(2,786,538)	-	-	-%
Increase in net position	52,005,837	36,921,921	27,975,759	35,631,187	79,981,596	72,553,108	10.2%
Net Position - Beginning	**573,610,071**	**536,688,150**	**652,063,041**	**616,431,854**	**1,225,673,112**	**1,153,120,004**	**6.3%**
Net Position - Ending	**$ 625,615,908**	**$ 573,610,071**	**$ 680,038,800**	**$ 652,063,041**	**$ 1,305,654,708**	**$ 1,225,673,112**	**6.5%**

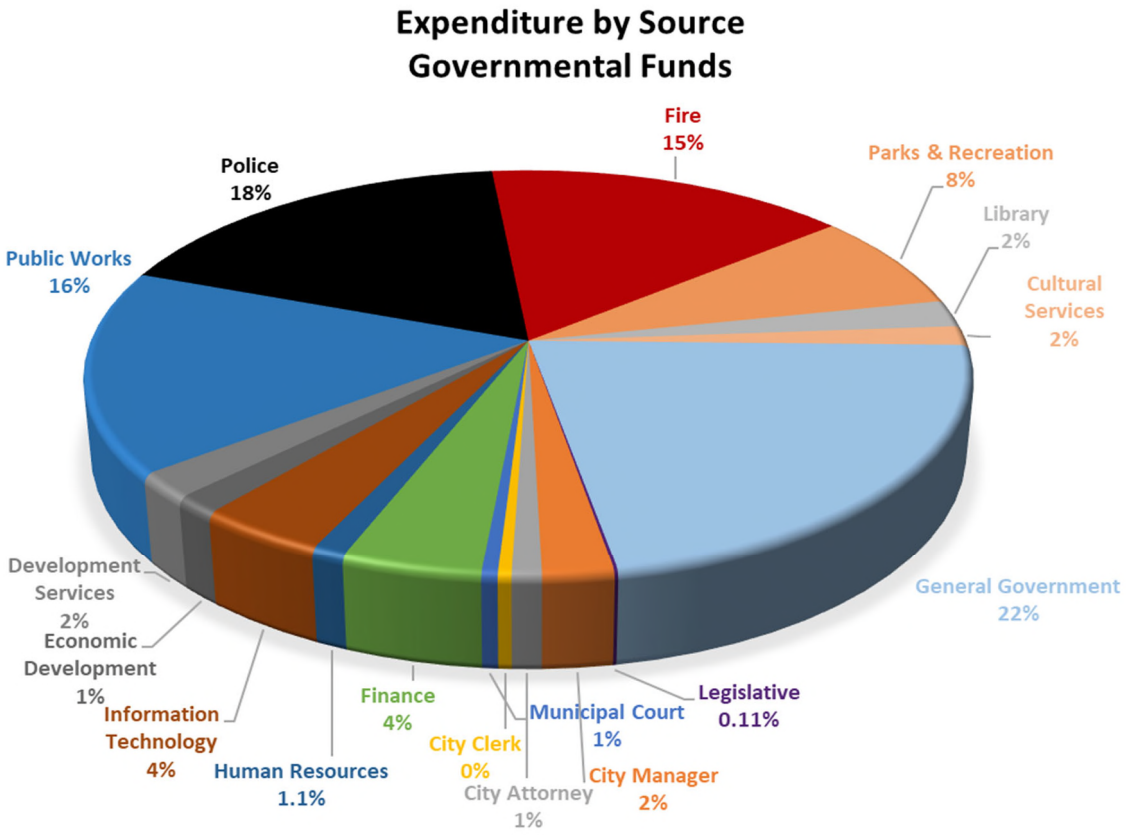
Governmental Activities

Governmental Activities increased the City's net position by $52,005,837. Earnings on investments decreased in 2021 by 58% from $1,343,775 in 2020 to $226,628 in 2021. 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/(losses). Property tax revenue increased in 2021 by $1,727,942.

The following graph compares program revenues and expenditures of Governmental Activities in 2021, illustrating the majority of expenditures are related to public services and safety. General government expenses increased due to Small Business Assistance grants for COVID relief and lease payments for the Northern Colorado Law Enforcement Training Center (NCLETC). Public Works revenue increased due to contributed streets and easements.




Revenue by Source
Governmental Funds
Licenses and Permits
4%
Fines and Penalties
0%
Intergovernmental
20%
Charges for
Services
12%
Investment Earnings
0%
Payment in Lieu of
Taxes
5%
Miscellaneous
3%
Taxes
56%


Expenditure by Source
Governmental Funds
Fire
15%
Parks & Recreation
8%
Library
2%
Cultural
Services
2%
General Government
22%
Legislative
0.11%
Municipal Court
1%
City Manager
2%
City Attorney
1%
City Clerk
0%
Finance
4%
Human Resources
1.1%
Information
Technology
4%
Economic
Development
1%
Development
Services
2%
Public Works
16%
Police
18%

Business-Type Activities

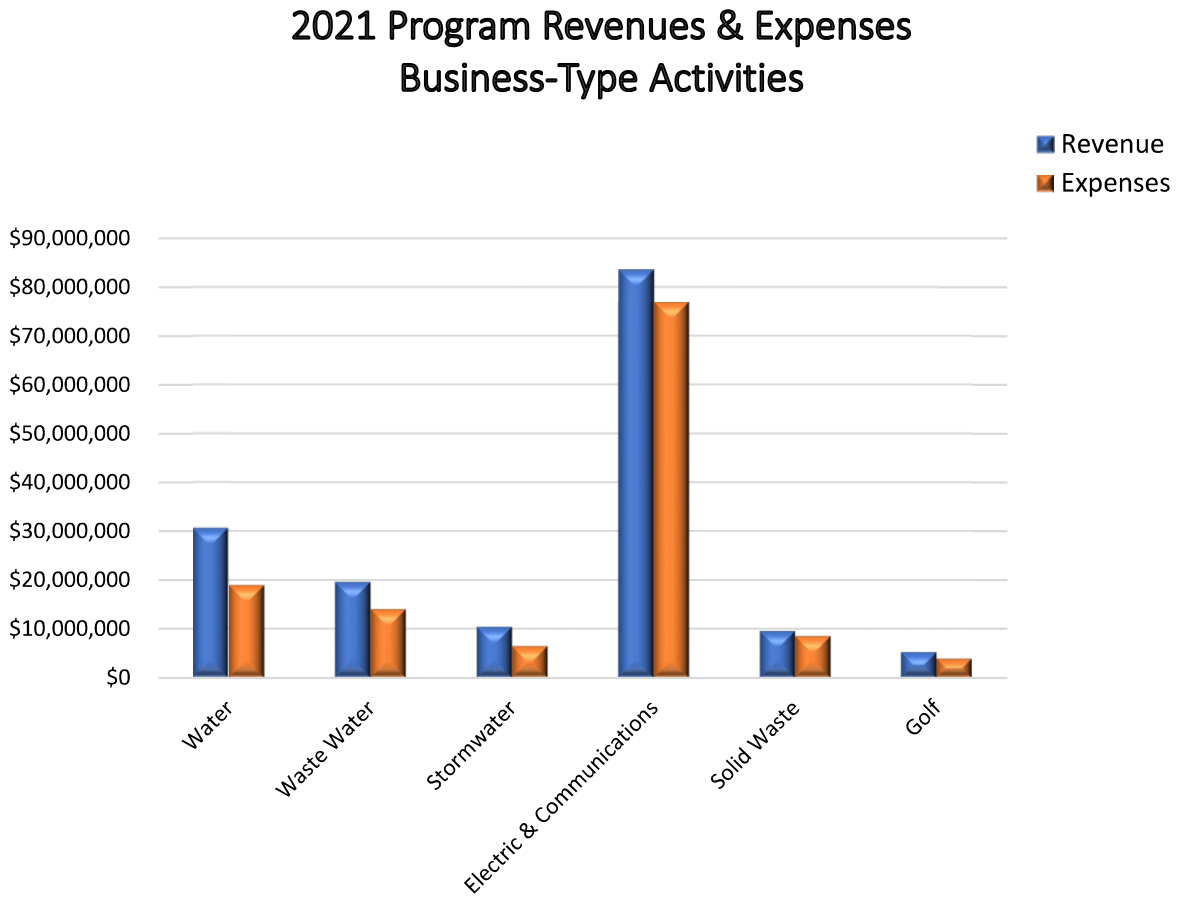
Business-Type Activities include the city-owned utilities: Water, Electric & Communications, Wastewater, Stormwater, Solid Waste collection, recycling services, and three municipal golf courses. All of these activities charge user fees designed to fully cover operating expenses. In addition, system impact 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 2021, net position for the Business-Type Activities increased by $27,975,759. Earnings on investments decreased from $3,431,421 in 2020 to ($1,310,212) in 2021 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/(losses).

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



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 $34,927,545, and the City ended the year with a combined fund balance of $132,118,278.

The City's Governmental Funds collected revenue over the constitutional limits (TABOR) by $1,841,425 in 2021. 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 $3,557,076.
- Restricted balance of $43,042,151 includes $1,841,425 reserve for excess TABOR, $3,256,861 reserve for emergencies; $14,780,713 for Fire and Rescue; $11,216,086 for Open Space Acquisitions; $5,279,673 for Parks & Recreation; $4,154,233 for Urban Revitalization; as well as funds for Convention & Tourism, and Law Enforcement.
- Committed balances include $39,876,828 for future capital improvements; Art in Public Places; public education; affordable housing and downtown maintenance.
- Assigned balances of $1,320,861 are for items such as Parks Improvements, Fiber Network, as well as other governmental capital improvements.
- Unassigned General Fund is $40,621,338, which includes the reserve policy adopted in 2011. This policy sets aside 15% of expenditures to be held in reserve as a guard against economic uncertainties.

The City has a policy to maintain a reserve in the Risk & Insurance Fund, as well as a reserve in expenditures in the Employee Benefits Fund (which is a self-funded plan). For the Risk & Insurance Fund, Risk Management reviews the City's Incurred But Not Reported (IBNR)/Claims Liability in conjunction with trend to monitor the adequacy of the reserves. The current balance in the fund is $4,419,116. 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 $3,138,810; the current fund balance is $13,377,527.

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 $109,777,331 increased by 20% for the year. Tax revenue of $79,526,807, (72)% of the total General Fund revenue increased by 13% in 2021. There were no changes made to the City's mill levy or sales tax rate in 2021. The General Fund balance increased by $14,391,319, 43%, primarily due to an increase in property and sales taxes, $9,010,274 or 12.8% due to the economic recovery and a decrease in expenditures of ($1,666,688) or (2.1%).

The Loveland Urban Renewal Authority (LURA) Fund revenues increased in 2021 to $18,872,543. Tax revenues of $18,805,001 (100% of total revenues) increased by $1,417,962 or 8% from 2020. Total 2021 expenditures of $17,837,862 include the distribution of tax increment financing $15,364,839, school district fund $2,373,417, and other services $99,606.

Total revenues in the Capital Expansion Fees (CEF) Fund decreased by ($70,566), (1%) from 2020, due to no increase in Charges for Services. The fund balance in the CEF Fund increased by $9,821,907 or 31%,versus a decrease in 2020 of ($922,990). This increase is due to smaller transfers to the Transportation Fund of $1,248,249 and transfers to the Capital Project Fund of $221,146.

Excluding transfers, the total revenue for the Loveland Fire Rescue Authority Fund was $23,881,544 and total expenditures were $29,053,060. The revenue includes the contribution from the City for $14,721,585. Fund balance increased by $7,374,092, primarily due to issuance of debt for the construction of Fire Station 10 and to refund the remaining balance on the debt for Fire Station 7.

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 $680,038,800, an increase of $27,975,759. Each of the Proprietary Funds had net position increases, the most significant in the Water Fund which increased $11,343,371 from 2020.

General Fund Budgetary Highlights

The General Fund had been operating with an operating deficit for the Fiscal Year's 2016, 2017, 2018 and 2019. In 2020 and 2021, the General Fund generated $5.4 million and $14.4 million more respectively in revenue than it incurred in expenditures.

In 2021, General Fund expenditures decreased by $1,666,688 from 2020. The effects of COVID-19 were less severe than anticipated and the revenue in 2021 increased by $13.7 million while the expenses decreased by $1.67 million which contributed to the increase in fund balance. The City received $4.7 million in the American Rescue Plan Act of 2021 (ARPA) and it is expected the City will receive an additional $4.7 million from ARPA in 2022. The funds received will contribute to the strength in fund balance.

Revenue was expected to remain flat in 2021 and property and sales taxes exceeded expectations with an increase over 2020 by 5.9% and 11.2% respectively. Building and use taxes also increased over 2020 by 36.6% due to a strong housing market in Loveland.

Proprietary Fund Budgetary Highlights

The Water, Wastewater and Electric & Communications utilities' increased their fund balances by $11.3 million, $5.2 million and $5.2 million respectively. 2021 was again a strong year for development driven revenues.

Capital Assets and Debt Administration

Capital Assets

At the end of 2021, the City had $1,202,963,049 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 13% and construction in process increased by 31% 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 2021:

Chimney Hollow Reservoir	$	75,099,480
South Loveland Outfall Phase 3		8,425,217
US 34 Denver to Boyd Lake Widening		7,762,338
Waterline Replacement Sherri Mar		4,711,049
Wilson Avenue Flood Mitigation		3,951,950
Pulliam Renovation		3,566,710

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
	2021	2020	2021	2020	2021	2020	
Land	$ 68,287,865	$ 63,830,257	$ 14,949,962	$ 14,949,962	$ 83,237,827	$ 78,780,219	5.7%
Art Collection	8,028,854	7,654,835	-	-	8,028,854	7,654,835	4.9%
Buildings	74,707,181	72,751,268	29,198,017	24,174,906	103,905,198	96,926,174	7.2%
Improvements	43,822,231	34,526,386	124,654,415	119,746,290	168,476,646	154,272,676	9.2%
Equipment	23,750,824	20,232,063	10,875,155	10,976,105	34,625,979	31,208,168	11.0%
Water rights	2,747,520	2,747,520	77,790,650	77,769,650	80,538,170	80,517,170	-%
Infrastructure	235,415,640	205,900,994	307,777,237	265,786,670	543,192,877	471,687,664	15.2%
Easements	6,809,486	6,828,260	33,025,667	32,533,720	39,835,153	39,361,980	1.2%
Construction in Process	27,363,369	49,362,623	113,758,976	58,161,203	141,122,345	107,523,826	31.2%
Total	**$ 490,932,970**	**$ 463,834,206**	**$ 712,030,079**	**$ 604,098,506**	**$ 1,202,963,049**	**$ 1,067,932,712**	**12.6%**

Major additions in 2021 included the following assets:

Water Reclamation Facility	$ 39,835,755	Street Rehabilitation	$ 31,054,227
Northern Colorado Law Enforcement Training Center	$ 9,677,131	29th Street 5.0 Million Gallon Storage Tank #2	$ 7,408,102

Debt

At year-end, the City had a number of oversizing agreements related to Streets totaling $911,443. There were no contract amendments in 2021. Between 2013 and 2015, the City secured $13,200,000 for improvements to the Water Treatment Plant. In addition, the City issued revenue bonds in the amount of $52,340,000 for the City's participation in the Windy Gap Firming project, the construction of a new water storage tank and the payoff of the 2013 Water bond. The City paid down $8,275,000 remaining balance of the 2013 Water bond debt in 2021. Additionally, between 2017 and 2018, the City secured $24,900,000 for improvements to the Wastewater Treatment Plant; the City paid down $715,000 of this debt in 2021.

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 has had a combination of strong revenue performance, direct federal funding and three years of expenditure reductions that have improved the position of the fund balance despite predictions of an economic recession. Stronger than expected revenue growth in Sales & Use Tax through the first quarter of 2022 are a good sign the trend will continue. The City was able to reinstitute merit based salary increases in 2021 and prior year expenditure reductions will be restored in 2022.

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 2022 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 2022, 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 2022 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 or access our website at https://www.lovgov.org.

Basic Financial Statements

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

City of Loveland, Colorado
Statement of Net Position
December 31, 2021

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash	$ 8,799	$ 8,300	$ 17,099
Equity in Pooled Cash	51,002,344	25,092,180	76,094,524
Equity in Pooled Investments	91,960,026	44,206,934	136,166,960
Receivables (Net):			
Taxes	40,266,957	-	40,266,957
Accounts	4,883,559	16,892,185	21,775,744
Grants	3,431,955	754,374	4,186,329
Accrued Interest	271,009	215,293	486,302
Internal Balances	369,657	(369,657)	-
Inventory of Supplies	1,057,208	7,376,215	8,433,423
Equity in Northern Colorado Regional Airport	9,932,212	-	9,932,212
Restricted Assets:			
Equity in Pooled Restricted Cash	24,193,204	50,762,675	74,955,879
Equity in Pooled Restricted Investments	-	32,349,848	32,349,848
Capital Assets:			
Land, Water Rights and Other Assets not Being Depreciated	85,873,725	125,766,279	211,640,004
Building, Improvements and Equipment, Net of Depreciation	377,695,876	472,504,824	850,200,700
Construction in Progress	27,363,369	113,758,976	141,122,345
Total Assets	718,309,900	889,318,426	1,607,628,326
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Items	101,700	-	101,700
Asset Retirement Obligation	-	259,757	259,757
Total Deferred Outflows of Resources	101,700	259,757	361,457
LIABILITIES			
Accounts Payable	12,523,682	13,920,987	26,444,669
Accrued Liabilities	3,086,995	2,399,780	5,486,775
Deposits	2,050,895	9,868,165	11,919,060
Unearned Revenue	4,036,335	-	4,036,335
Noncurrent Liabilities:			
Due Within One Year	4,342,939	7,309,743	11,652,682
ARO Liability - Hydro - Short Term	-	1,047,915	1,047,915
Pollution Remediation-Short Term	286,495	-	286,495
Due in More Than One Year	31,107,451	174,201,091	205,308,542
ARO Liability - Solar - Long Term	-	313,500	313,500
Pollution Remediation-Long Term	429,980	-	429,980
Pension Liability - Due in More Than One Year	1,534,877	-	1,534,877
Total Liabilities	59,399,649	209,061,181	268,460,830
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Items	165,272	-	165,272
Deferred Property Taxes	33,230,771	-	33,230,771
Deferred Other	-	478,202	478,202
Total Deferred Inflows of Resources	33,396,043	478,202	33,874,245
NET POSITION			
Net Investment in Capital Assets	461,306,590	568,110,085	1,029,416,675
Restricted - Nonexpendable	3,557,076	-	3,557,076
Restricted:			
Future Capital Improvements	-	49,936,494	49,936,494
Tabor 3% Emergency Reserve	3,256,861	-	3,256,861
Conservation Trust Fund	5,266,568	-	5,266,568
Open Space Acquistions	11,216,086	-	11,216,086
Reserve for Excess Tabor	1,841,425	-	1,841,425
Fire and Rescue	14,797,233	-	14,797,233
Urban Revitalization	4,154,233	-	4,154,233
Other	2,964,317	-	2,964,317
Unrestricted	117,255,519	61,992,221	179,247,740
Total Net Position	$ 625,615,908	$ 680,038,800	$ 1,305,654,708

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, 2021

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants & Contributions	Program Revenues: Capital Grants & Contributions
Governmental Activities:				
City Manager	$ 3,121,875	$ 213,974	$ 20,000	$ -
Legislative	150,963	-	-	-
City Attorney	1,283,365	26,982	-	-
City Clerk	592,360	87,566	-	-
Municipal Court	700,112	831,211	131	-
Finance	6,075,509	251,738	1,380	-
Human Resources	1,462,259	695	-	-
Information Technology	5,953,913	179,946	-	-
Economic Development	2,065,899	-	12,762	-
Development Services	5,590,896	4,882,160	-	-
Public Works	31,960,206	19,368,504	4,241,293	33,093,922
Police	34,907,689	1,898,764	100,001	853,915
Fire and Rescue	33,800,088	15,628,034	18,724,406	1,106,105
Parks & Recreation	12,691,587	4,367,279	42,491	5,374,540
Library	3,504,378	90,818	-	589,707
Cultural Services	2,363,832	362,960	47,861	492,460
General Government	30,301,034	4,731,782	626,483	4,684,015
Interest on long term debt	971,660	-	-	-
Total Governmental Activities	**177,497,625**	**52,922,413**	**23,816,808**	**46,194,664**
Business Type Activities:				
Water	18,914,717	23,539,395	76,990	7,594,567
Wastewater	14,014,978	16,221,277	113,901	3,246,537
Stormwater	6,530,754	8,326,803	38	2,351,295
Electric & Communications	76,955,901	77,780,985	82,330	5,821,671
Solid Waste	8,490,265	9,626,951	-	-
Golf	3,921,240	5,297,111	-	-
Total Business-Type Activities	**128,827,855**	**140,792,522**	**273,259**	**19,014,070**
City Total	**$ 306,325,480**	**$ 193,714,935**	**$ 24,090,067**	**$ 65,208,734**
General revenues:				
Property Taxes				
Sales and Use Taxes				
Franchise Taxes				
Other Taxes				
Investment Earnings (Loss)				
Gain on Sale of Assets				
Transfers				
Total General Revenues and Transfers				
Change in Net Position				
Net Position - Beginning				
Net Position - Ending				

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

Net (Expenses) Revenues and Change in Net Position		
Governmental Activities	Business Type Activities	Totals
$ (2,887,901)	$ -	$ (2,887,901)
(150,963)	-	(150,963)
(1,256,383)	-	(1,256,383)
(504,794)	-	(504,794)
131,230	-	131,230
(5,822,391)	-	(5,822,391)
(1,461,564)	-	(1,461,564)
(5,773,967)	-	(5,773,967)
(2,053,137)	-	(2,053,137)
(708,736)	-	(708,736)
24,743,513	-	24,743,513
(32,055,009)	-	(32,055,009)
1,658,457	-	1,658,457
(2,907,277)	-	(2,907,277)
(2,823,853)	-	(2,823,853)
(1,460,551)	-	(1,460,551)
(20,258,754)	-	(20,258,754)
(971,660)		(971,660)
(54,563,740)	**-**	**(54,563,740)**
-	12,296,235	12,296,235
-	5,566,737	5,566,737
-	4,147,382	4,147,382
-	6,729,085	6,729,085
-	1,136,686	1,136,686
-	1,375,871	1,375,871
-	**31,251,996**	**31,251,996**
$ (54,563,740)	**$ 31,251,996**	**$ (23,311,744)**
30,849,766	-	30,849,766
68,632,108	-	68,632,108
1,720,272	-	1,720,272
1,824,083	-	1,824,083
226,628	(1,310,212)	(1,083,584)
1,115,795	234,900	1,350,695
2,200,925	(2,200,925)	-
106,569,577	(3,276,237)	103,293,340
52,005,837	27,975,759	79,981,596
573,610,071	652,063,041	1,225,673,112
$ 625,615,908	$ 680,038,800	$ 1,305,654,708

City of Loveland, Colorado
Balance Sheet
Governmental Fund Types
December 31, 2021

	General	Loveland Urban Renewal Authority	Transportation	Capital Expansion Fees	Loveland Fire Rescue Authority
ASSETS					
Cash	$ 8,499	$ -	$ -	$ -	$ -
Equity in Pooled Cash	18,883,121	-	623	9,706,322	2,646,610
Equity in Pooled Investments	23,521,381	-	197,834	30,307,087	4,781,422
Receivables (Net):					
Taxes	19,311,100	20,222,125	24,609	-	-
Accounts	1,203,184	1,700,329	1,293,134	-	82,242
Grants	853,603	-	1,100,309	3,471	13,750
Due from Other Funds	733,875	-	-	-	-
Accrued Interest	71,806	12,478	-	66,454	27,753
Interfund Loan Receivables	30,261	-	-	2,286,449	-
Inventory	-	-	442,351	-	-
Equity in Pooled Restricted Cash	5,613,115	7,741,308	-	-	8,381,514
Total Assets	**70,229,945**	**29,676,240**	**3,058,860**	**42,369,783**	**15,933,291**
LIABILITIES					
Accounts Payable	2,030,509	4,403,850	1,190,472	200,055	710,288
Accrued Liabilities	1,414,677	-	169,557	2,980	425,770
Due to Other Funds	-	-	364,218	-	-
Unearned Revenue	4,036,335	-	-	-	-
Interfund Loan Payable	977,988	1,560,959	-	-	-
Total Liabilities	**8,459,509**	**5,964,809**	**1,724,247**	**203,035**	**1,136,058**
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	1,026,652	-	1,334,613	3,471	16,520
Deferred Property Taxes	12,871,706	20,222,125	-	-	-
Total Deferred Inflows of Resources	**13,898,358**	**20,222,125**	**1,334,613**	**3,471**	**16,520**
Total Liabilities and Deferred Inflows of Resources	22,357,867	26,186,934	3,058,860	206,506	1,152,578
Fund Balances:					
Nonspendable	30,261	-	442,351	-	-
Restricted	6,395,429	3,489,306	-	-	14,780,713
Committed	825,050	-	-	42,163,277	-
Assigned	-	-	-	-	-
Unassigned	40,621,338	-	(442,351)	-	-
Total Fund Balances	47,872,078	3,489,306	-	42,163,277	14,780,713
Total Liabilities and Fund Balances	**$ 70,229,945**	**$ 29,676,240**	**$ 3,058,860**	**$ 42,369,783**	**$ 15,933,291**

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

City of Loveland, Colorado
Balance Sheet
Governmental Fund Types
December 31, 2021

	Capital Project Funds	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash	$ -	$ 300	$ 8,799
Equity in Pooled Cash	949,915	9,946,151	42,132,742
Equity in Pooled Investments	1,721,826	12,492,786	73,022,336
Receivables (Net):			
Taxes	-	709,123	40,266,957
Accounts	346,400	51,635	4,676,924
Grants	1,240,765	201,455	3,413,353
Due from Other Funds	-	-	733,875
Accrued Interest	4,393	40,195	223,079
Interfund Loan Receivables	-	-	2,316,710
Inventory	-	22,481	464,832
Equity in Pooled Restricted Cash	-	2,137,087	23,873,024
Total Assets	**4,263,299**	**25,601,213**	**191,132,631**
LIABILITIES			
Accounts Payable	4,172,329	317,579	13,025,082
Accrued Liabilities	1,089	65,034	2,079,107
Due to Other Funds	-	-	364,218
Unearned Revenue	-	-	4,036,335
Interfund Loan Payable	-	-	2,538,947
Total Liabilities	**4,173,418**	**382,613**	**22,043,689**
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue	1,240,765	117,872	3,739,893
Deferred Property Taxes	-	136,940	33,230,771
Total Deferred Inflows of Resources	**1,240,765**	**254,812**	**36,970,664**
Total Liabilities and Deferred Inflows of Resources	5,414,183	637,425	59,014,353
Fund Balances:			
Nonspendable	-	3,579,557	4,052,169
Restricted	-	18,376,703	43,042,151
Committed	-	1,686,667	44,674,994
Assigned	-	1,320,861	1,320,861
Unassigned	(1,150,884)	-	39,028,103
Total Fund Balances	(1,150,884)	24,963,788	132,118,278
Total Liabilities and Fund Balances	**$ 4,263,299**	**$ 25,601,213**	**$ 191,132,631**

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.	480,963,364
City's joint venture equity interest in Northern Colorado Regional Airport	9,932,212
City's Net Pension Liability	(1,534,877)
Certain deferred inflows of resources represent deferred revenue which revenue does not represent current available resources. These revenues are eliminated at the activity level.	3,739,893
Certain deferred outflows/inflows of resources represent deferred expenses relating to pension expenses	(63,572)
Pollution Remediaton	(716,475)
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.	36,443,173
Long-term liabilities are not due and payable in the current period and are not reported in the funds.	
(Accrued Leave $5,639,707, Certificates of Participation $15,170,000, Capital Leases, $12,544,937, Bank Loan, $1,000,000, and developer oversizing agreements $911,443)	(35,266,088)
Net Position of Governmental Activities	$ 625,615,908

City of Loveland, Colorado
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Fund Types
For the Year Ended December 31, 2021

	General	Loveland Urban Renewal Authority	Transportation	Capital Expansion Fees	Loveland Fire Rescue Authority
Revenues:					
Taxes	$ 79,526,807	$ 18,805,001	$ 86,085	$ -	$ -
Licenses and Permits	6,477,122	-	180,762	-	189,078
Fines and Penalties	837,820	-	-	-	-
Intergovernmental	8,746,559	-	5,294,210	-	18,689,300
Charges for Services	3,889,254	-	3,947,565	11,281,997	2,109,203
Investment Earnings (Loss)	389,049	57,538	(56,806)	(111,426)	44,094
Payment in Lieu of Taxes	8,790,101	-	-	-	-
Contributions	23,748	-	-	-	-
Miscellaneous	1,096,871	10,004	115,454	746,905	2,849,869
Total Revenues	109,777,331	18,872,543	9,567,270	11,917,476	23,881,544
Expenditures:					
Current:					
Legislative	150,963	-	-	-	-
City Manager	1,883,391	-	-	-	-
City Attorney	1,295,583	-	-	-	-
City Clerk	584,936	-	-	-	-
Municipal Court	700,449	-	-	-	-
Finance	6,128,394	-	-	-	-
Human Resources	1,458,268	-	-	-	-
Information Technology	3,993,947	-	-	-	-
Economic Development	1,241,779	-	-	-	-
Development Services	2,771,733	-	-	-	-
Public Works	8,301,924	-	13,373,668	-	-
Police	24,045,391	-	-	-	-
Fire	-	-	-	-	21,302,646
Parks & Recreation	9,066,165	-	-	112,262	-
Library	2,947,392	-	-	-	-
Cultural Services	2,112,693	-	-	-	-
General Government	12,295,615	17,783,003	-	-	-
Capital Outlay	2,135,041	-	9,138,294	668,931	3,795,756
Debt service					
Principal	370,000	-	-	-	3,661,054
Interest and debt service costs	562,580	54,859	60,167	-	293,604
Total Expenditures	82,046,244	17,837,862	22,572,129	781,193	29,053,060
Excess (Deficiency) of Revenues Over (Under) Expenditures	27,731,087	1,034,681	(13,004,859)	11,136,283	(5,171,516)
Other Financing Sources (Uses):					
Transfers In	1,603,315	-	13,078,066	155,019	671
Transfers (Out)	(14,943,083)	-	(73,207)	(1,469,395)	-
Debt Proceeds	-	1,000,000	-	-	12,544,937
Total Other Financing Sources (Uses)	(13,339,768)	1,000,000	13,004,859	(1,314,376)	12,545,608
Net Change in Fund Balance	14,391,319	2,034,681	-	9,821,907	7,374,092
Fund Balances--Beginning	33,480,759	1,454,625	-	32,110,116	7,406,621
Prior period adjustment	-	-	-	231,254	-
Fund Balances--Beginning, as restated	33,480,759	1,454,625	-	32,341,370	7,406,621
Fund Balances--Ending	$ 47,872,078	$ 3,489,306	$ -	$ 42,163,277	$ 14,780,713

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

Capital Project Funds	Other Governmental Funds	Total Governmental Funds
$ -	$ 4,076,039	$ 102,493,932
-	-	6,846,962
-	-	837,820
1,348,903	2,722,712	36,801,684
-	260,739	21,488,758
223,877	(319,698)	226,628
-	-	8,790,101
-	-	23,748
370,088	663,463	5,852,654
1,942,868	7,403,255	183,362,287
-	-	150,963
-	1,217,704	3,101,095
-	-	1,295,583
-	-	584,936
-	-	700,449
-	-	6,128,394
-	-	1,458,268
1,591,826	57,612	5,643,385
-	756,748	1,998,527
-	-	2,771,733
109,640	524,283	22,309,515
62,512	291,036	24,398,939
-	-	21,302,646
9,092	1,471,274	10,658,793
-	-	2,947,392
-	-	2,112,693
-	54,564	30,133,182
3,324,267	2,864,716	21,927,005
-	-	4,031,054
-	-	971,210
5,097,337	7,237,937	164,625,762
(3,154,469)	165,318	18,736,525
3,703,861	620,000	19,160,932
(29,164)	-	(16,514,849)
-	-	13,544,937
3,674,697	620,000	16,191,020
520,228	785,318	34,927,545
(1,439,858)	24,178,470	97,190,733
(231,254)	-	-
(1,671,112)	24,178,470	97,190,733
$ (1,150,884)	$ 24,963,788	$ 132,118,278

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, 2021

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	34,927,545
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 $20,344,322 exceeded depreciation $19,125,473 in the current period.		1,621,594
The net effect of various miscellaneous transactions involving capital assets (i.e. deletions, sales, trade-ins, and donations) is to increase net position. This includes contributions of streets and easements by developers and loss on disposal of capital assets.		24,646,498
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.		(1,870,130)
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 $82,208; a decrease in developer oversizing agreements, net of accrued interest $268,706; an increase in the Net Pension Liability $172,531, and an increase in Pollution Remediation $196,475.		(182,508)
Revenues that are recorded for the Airport joint venture in the statement of activities that are not reported as revenues in the funds.		1,636,412
Issuance of Long-Term Debt not reported in Statement of Activities, less principal payments of $4,842,865.		(8,702,072)
Internal service funds are used by management to charge the costs to various services to individual funds. The net revenue (loss) of certain activities of the internal service fund is reported with governmental funds.		(71,502)
Change in net position of governmental activities	$	52,005,837

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, 2021

	Business-Type Activities - Enterprise Funds			
	Water	Waste Water	Stormwater	Electric & Communications
ASSETS				
Current Assets:				
Cash	$ -	$ -	$ -	$ 2,850
Equity in Pooled Cash	3,414,053	2,398,593	1,955,232	11,993,437
Equity in Pooled Investments	7,751,052	5,896,243	6,805,014	14,940,552
Receivables, Net	2,291,753	2,209,496	1,106,630	10,675,852
Accrued Interest	75,402	21,846	22,292	71,649
Inventory, at Cost	335,899	5,871	-	6,822,776
Total Current Assets	13,868,159	10,532,049	9,889,168	44,507,116
Non-current Assets:				
Interfund Loan Receivable	-	-	-	2,456,541
Restricted Assets:				
Future Raw Water Projects Restricted Cash	1,287,295	-	-	-
Future Easement Improvements Restricted Cash	-	-	-	-
Equity in Pooled Restricted Cash	1,554,989	2,986,956	-	39,704,038
Reservoir Improvements Restricted Cash	-	-	-	-
System Impact Fees	-	-	4,640,865	-
Equity in Pooled Restricted Investments	20,126,409	1,802,359	-	10,421,080
Total Restricted Assets	22,968,693	4,789,315	4,640,865	50,125,118
Capital Assets:				
Land	4,046,605	1,124,497	6,212,999	2,510,359
Intangible Assets/Easements	7,780,238	7,923,473	8,006,379	9,315,577
Buildings	3,467,553	24,038,630	94,184	5,179,139
Equipment	3,494,162	3,745,042	3,636,945	7,886,264
Improvements Other Than Buildings	198,767,576	117,349,520	56,106,156	248,079,875
Water Rights	77,696,150	-	-	-
Construction in Progress	83,947,369	2,542,503	13,153,644	14,010,304
Total Capital Assets	379,199,653	156,723,665	87,210,307	286,981,518
Accumulated Depreciation	(66,576,575)	(40,696,343)	(19,236,782)	(78,583,775)
Net Capital Assets	312,623,078	116,027,322	67,973,525	208,397,743
Total Non-Current Assets	335,591,771	120,816,637	72,614,390	260,979,402
Total Assets	$ 349,459,930	$ 131,348,686	$ 82,503,558	$ 305,486,518
Deferred Outflows of Resources:				
Asset Retirement Obligation	-	-	-	259,757

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, 2021
(Continued)

Business-Type Activities - Enterprise Funds			Governmental Activities
Solid Waste	Golf	Totals	Internal Service
$ 1,250	$ 4,200	$ 8,300	$ -
2,848,676	2,482,189	25,092,180	8,869,602
4,515,990	4,298,083	44,206,934	18,937,690
1,149,607	213,221	17,646,559	225,204
12,352	11,752	215,293	47,930
153,278	58,391	7,376,215	592,376
8,681,153	7,067,836	94,545,481	28,672,802
-	-	2,456,541	222,270
-	-	1,287,295	-
-	94,695	94,695	-
310,829	-	44,556,812	320,180
-	183,008	183,008	-
-	-	4,640,865	-
-	-	32,349,848	-
310,829	277,703	83,112,523	320,180
-	1,055,502	14,949,962	209,516
-	-	33,025,667	-
378,098	4,554,614	37,712,218	1,976,509
9,544,075	2,776,494	31,082,982	19,666,975
232,356	8,385,937	628,921,420	-
-	94,500	77,790,650	-
-	105,156	113,758,976	218,223
10,154,529	16,972,203	937,241,875	22,071,223
(7,444,952)	(12,673,369)	(225,211,796)	(12,101,617)
2,709,577	4,298,834	712,030,079	9,969,606
3,020,406	4,576,537	797,599,143	10,512,056
$ 11,701,559	$ 11,644,373	$ 892,144,624	$ 39,184,858
-	-	259,757	-

City of Loveland, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2021
(Continued)

	Business-Type Activities - Enterprise Funds			
	Water	Waste Water	Stormwater	Electric & Communications
LIABILITIES				
Current Liabilities:				
Accounts Payable	2,064,730	679,155	3,260,028	7,828,943
Accrued Liabilities	972,570	535,997	66,903	648,158
Due to Other Funds	-	-	-	369,657
Deposits	-	-	-	9,868,165
ARO Liability - Hydro	-	-	-	1,047,915
Compensated Absences	190,527	155,538	83,407	303,838
Bond Payable - Current	1,793,298	4,050,000	-	405,115
Total Current Liabilities	5,021,125	5,420,690	3,410,338	20,471,791
Long-Term Liabilities:				
Compensated Absences	155,886	127,259	68,242	248,593
Bond Payable	60,776,516	18,780,000	-	93,893,780
ARO Liability - Solar	-	-	-	313,500
Interfund Loan Payable	-	-	-	2,456,541
Total Long-Term Liabilities	60,932,402	18,907,259	68,242	96,912,414
Total Liabilities	65,953,527	24,327,949	3,478,580	117,384,205
NET POSITION				
Net Investment in Capital Assets	249,909,573	93,197,322	67,973,525	150,021,254
Restricted for Future Capital Improvements	24,255,989	4,789,315	4,640,865	15,661,793
Restricted	-	-	-	-
Unrestricted	9,340,841	9,034,100	6,410,588	22,679,023
Total Net Position	$ 283,506,403	$ 107,020,737	$ 79,024,978	$ 188,362,070

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, 2021
(Continued)

Business-Type Activities - Enterprise Funds			Governmental Activities
			Internal
Solid Waste	Golf	Totals	Service
227,723	482,301	14,542,880	1,549,495
106,359	69,793	2,399,780	1,007,888
-	-	369,657	-
-	-	9,868,165	-
-	-	1,047,915	-
92,204	92,125	917,639	-
-	-	6,248,413	-
426,286	644,219	35,394,449	2,557,383
75,440	75,375	750,795	184,302
-	-	173,450,296	-
-	-	313,500	-
-	-	2,456,541	-
75,440	75,375	176,971,132	184,302
501,726	719,594	212,365,581	2,741,685
2,709,577	4,298,834	568,110,085	9,969,606
310,829	277,703	49,936,494	-
-	-	-	320,180
8,179,427	6,348,242	61,992,221	26,153,387
$ 11,199,833	$ 10,924,779	$ 680,038,800	$ 36,443,173

City of Loveland, Colorado

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

Proprietary Funds

For the Year Ended December 31, 2021

	Business-Type Activities - Enterprise Funds				
	Water	Waste Water	Stormwater	Electric & Communications	Solid Waste
Operating Revenues:					
Charges for Services	$ 20,128,789	$ 16,186,955	$ 8,249,402	$ 76,806,313	$ 9,603,233
Miscellanous	1,799,970	148,223	77,439	986,810	-
Total Operating Revenues	21,928,759	16,335,178	8,326,841	77,793,123	9,603,233
Operating Expenses:					
Personal Services	5,743,946	4,151,857	1,628,709	6,703,642	2,860,286
Supplies	1,484,909	722,927	42,221	561,419	281,736
Purchased Services	5,213,123	3,442,218	858,844	6,985,897	3,749,472
Purchased Power	-	-	-	46,414,524	-
Payment for Services	1,325,254	1,049,794	539,680	5,265,409	609,964
Depreciation	4,084,882	3,712,890	1,424,651	7,253,844	970,931
Total Operating Expenses	17,852,114	13,079,686	4,494,105	73,184,735	8,472,389
Net Operating Income (loss)	4,076,645	3,255,492	3,832,736	4,608,388	1,130,844
Nonoperating Revenues (Expenses):					
Investment Earnings	(628,249)	(30,694)	(240,226)	(220,065)	(102,468)
Bond Expenses	(203,188)	(750)	-	(1,000)	-
Interest and debt service costs	(874,412)	(934,542)	-	(3,673,405)	(17,876)
Gain (Loss) on Sale of Capital Assets	35,947	15,500	(1,952,049)	52,281	34,000
Total Nonoperating Revenues (Expense)	(1,669,902)	(950,486)	(2,192,275)	(3,842,189)	(86,344)
Net Income (Loss) Before Contributions and Transfers	2,406,743	2,305,006	1,640,461	766,199	1,044,500
Capital Contributions:					
System Impact/Development Fees	4,314,651	2,593,470	417,904	3,732,854	-
Contributed Assets	1,082,210	653,067	1,933,391	220,769	-
Aid to Construction	566,814	-	-	1,868,048	-
Raw Water Development Fees	1,662,479	-	-	-	-
Cash in Lieu of Water Rights	1,630,892	-	-	-	-
Capital Grant Contributions	25,147	-	-	-	23,718
Transfers In	452	-	400	-	240,000
Transfers (Out)	(346,017)	(309,636)	(158,762)	(1,338,764)	(288,598)
Change in Net Position	11,343,371	5,241,907	3,833,394	5,249,106	1,019,620
Total Net Position - Beginning	272,163,032	101,778,830	75,191,584	183,112,964	10,180,213
Total Net Position - Ending	$ 283,506,403	$ 107,020,737	$ 79,024,978	$ 188,362,070	$ 11,199,833

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

Business-Type Activities - Enterprise Funds		Governmental Activities
Golf	Totals	Internal Service
$ 5,293,342	$ 136,268,034	$ 25,956,601
796	3,013,238	315,093
5,294,138	139,281,272	26,271,694
2,337,218	23,425,658	2,257,603
554,628	3,647,840	2,806,992
698,714	20,948,268	18,751,935
-	46,414,524	-
-	8,790,101	-
330,680	17,777,878	1,783,799
3,921,240	121,004,269	25,600,329
1,372,898	18,277,003	671,365
(88,510)	(1,310,212)	(464,436)
-	(204,938)	-
-	(5,500,235)	8,160
1,000	(1,813,321)	139,962
(87,510)	(8,828,706)	(316,314)
1,285,388	9,448,297	355,051
-	11,058,879	-
-	3,889,437	-
-	2,434,862	-
-	1,662,479	-
-	1,630,892	-
2,973	51,838	18,602
-	240,852	725,030
-	(2,441,777)	(1,170,185)
1,288,361	27,975,759	(71,502)
9,636,418	652,063,041	36,514,675
$ 10,924,779	$ 680,038,800	$ 36,443,173

City of Loveland, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2021

	Business-Type Activities - Enterprise Funds		
	Water	Waste Water	Stormwater
Cash Flows from Operating Activities:			
Cash Received from Customers	$ 19,712,539	$ 15,637,697	$ 8,059,416
Cash Received from Interfund Services	-	-	-
Cash Payments for Goods and Services	(8,060,701)	(5,920,800)	(1,882,648)
Cash Payments to Employees	(5,864,363)	(4,175,629)	(1,630,452)
Cash Received from Employees			
Other Receipts	1,611,028	150,225	77,435
Net Cash Provided by Operating Activities	7,398,503	5,691,493	4,623,751
Cash Flows from Non-Capital Financing Activities:			
Transfers In	451	-	400
Transfers Out	(346,017)	(309,637)	(158,761)
Net Cash Used by Non-Capital Financing Activities	(345,566)	(309,637)	(158,361)
Cash Flows from Capital and Related Financing Activities			
System Impact/Development Fees	4,314,652	2,593,586	417,904
Proceeds on Sale of Capital Assets	20,950	15,500	84,600
Payments for Capital Acquisition	(77,763,437)	(3,949,974)	(6,363,126)
Intergovernmental Revenue	-	-	-
Raw Water Development Fees	1,662,479	-	-
Capital Grant Contributions	25,147	61,787	-
Cash in Lieu of Water Rights	1,630,892	-	-
Aid to Construction	566,814	-	-
Debt Principal proceeds(payments)	51,139,814	(715,000)	-
Repayments received on Interfund Loans receivable	-	-	-
Bond Expenses	(203,188)	(750)	-
Interest Paid	(243,634)	(945,188)	-
Net Cash Used by Capital and Related Financing Activities	(18,849,511)	(2,940,039)	(5,860,622)
Cash Flows from Investing Activities:			
Purchase of Investments	(5,909,951)	(2,132,169)	(139,524)
Proceeds from Sale of Investments	13,426,586	3,641,086	3,760,925
Investment Earnings	426,935	92,728	105,166
Net Cash Flows Provided by Investing Activities	7,943,570	1,601,645	3,726,567
Net Increase (Decrease) in Cash and Cash Equivalents	(3,853,004)	4,043,462	2,331,335
Cash and Cash Equivalents - Jan. 1	10,109,341	1,342,087	4,264,762
Cash and Cash Equivalents - Dec. 31	$ 6,256,337	$ 5,385,549	$ 6,596,097
Reconciliation of Operating Income to Net			
Operating Income	$ 4,076,645	$ 3,255,492	$ 3,832,736
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation	4,084,882	3,712,890	1,424,651
(Increase) Decrease in Accounts Receivable	(605,195)	(547,143)	(189,986)
(Increase) Decrease in Inventory	40,865	(1,047)	-
Increase (Decrease) in Current Liabilities	(198,694)	(728,699)	(443,650)
Decrease in Long Term Liabilities	-	-	-
Total Adjustments	3,321,858	2,436,001	791,015
Net Cash Provided by Operating Activities	$ 7,398,503	$ 5,691,493	$ 4,623,751
Noncash Investing, Capital and Financing Activities:			
Contributed Assets from Subdividers	$ 1,082,210	$ 653,067	$ 1,933,391
Unrealized Loss on Investments	(983,796)	(131,491)	(316,295)
Reconciliation of cash and cash equivalents to statement of net position:			
Cash and cash equivalents	3,414,053	2,398,593	1,955,232
Restricted Assets - cash and cash equivalents	2,842,284	2,986,956	4,640,865
	$ 6,256,337	$ 5,385,549	$ 6,596,097

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
$	73,878,671	$ 9,283,758	$ 5,285,590	$ 131,857,671	$ -
	-	-	-	-	26,045,864
	(58,999,284)	(4,494,048)	(1,174,651)	(80,532,132)	(21,466,510)
	(6,679,711)	(2,863,923)	(2,319,813)	(23,533,891)	(2,269,356)
					633,568
	987,016	(9,333)	543	2,816,914	315,408
	9,186,692	1,916,454	1,791,669	30,608,562	3,258,974
	-	240,000	-	240,851	725,030
	(1,338,763)	(288,598)	-	(2,441,776)	(1,170,185)
	(1,338,763)	(48,598)	-	(2,200,925)	(445,155)
	3,732,854	-	-	11,058,996	
	78,850	34,000	1,000	234,900	139,962
	(35,272,810)	(330,650)	(206,111)	(123,886,108)	(2,614,472)
	-	23,718	3,026	26,744	106
	-	-	-	1,662,479	-
	-	-	-	86,934	-
	-	-	-	1,630,892	-
	6,459,503	-	-	7,026,317	-
		-	-	50,424,814	-
	381,317	-	-	381,317	57,936
	-	-	-	(203,938)	-
	(3,427,005)	-	-	(4,615,827)	-
	(28,047,291)	(272,932)	(202,085)	(56,172,480)	(2,416,468)
	(6,767,545)	(1,124,214)	(1,135,002)	(17,208,405)	(6,820,775)
	12,003,539	2,123,903	1,953,663	36,909,702	8,563,326
	317,070	54,172	49,068	1,045,139	222,569
	5,553,064	1,053,861	867,729	20,746,436	1,965,120
	(14,646,298)	2,648,785	2,457,313	(7,018,407)	2,362,471
	66,346,623	511,970	306,779	82,881,562	6,827,311
$	51,700,325	$ 3,160,755	$ 2,764,092	$ 75,863,155	$ 9,189,782
$	4,608,388	$ 1,130,844	$ 1,372,898	$ 18,277,003	$ 671,367
	7,253,844	970,931	330,680	17,777,878	1,783,799
	(2,927,442)	(304,004)	(8,000)	(4,581,770)	89,560
	(1,155,375)	14,939	34,534	(1,066,084)	(73,508)
	2,091,384	103,744	61,557	885,642	787,756
	(684,107)	-	-	(684,107)	-
	4,578,304	785,610	418,771	12,331,559	2,587,607
$	9,186,692	$ 1,916,454	$ 1,791,669	$ 30,608,562	$ 3,258,974
$	220,770	$ -	$ -	$ 3,889,438	$ -
	(529,701)	(146,283)	(128,917)	(2,236,483)	(641,485)
	11,996,287	2,849,926	2,486,389	25,100,480	8,869,602
	39,704,038	310,829	277,703	50,762,675	320,180
$	51,700,325	$ 3,160,755	$ 2,764,092	$ 75,863,155	$ 9,189,782

City of Loveland, Colorado
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2021

	Special Improvement District No. 1 Custodial Fund
ASSETS	
Equity in Pooled Cash and Cash Equivalents	$ 11,391
Equity in Pooled Investments	103,481
Accounts Receivable	35,168
Accrued Interest	621
Equity in Pooled Restricted Cash	258,489
Total Assets	$ 409,150
LIABILITIES	
Accounts Payable	139
Total Liabilities	$ 139
Net Position:	
Restricted For:	
Improvement District	$ 409,011

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, 2021

Additions:		
Special Assessments	$	461,954
Interest		(1,372)
Miscellaneous		2,001
Total Additions		462,583
Deductions:		
General Administration		5,417
Bond Principal		430,000
Bond Interest		109,200
Trustee Fees		300
Total Deductions		544,917
Net increase (decrease) in fiduciary net position		(82,334)
Net position-beginning		491,345
Net position-ending	$	409,011

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, 2021, ownership was (based on contributed capital): Fort Collins 50%, and Loveland 50%.

Note 1: Summary of Significant Accounting Policies (continued)

A. Reporting Entity (continued)

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

Financial Information

A summary of financial information is as follows:

As of December 31, 2021	
Total Current Assets	$ 4,524,806
Total Capital Assets (net of accumulated depreciation)	15,805,175
Total Assets	20,329,981
Total Current Liabilities	(465,557)
Total Net Position	**$ 19,864,424**

For the Year Ended December 31, 2021	
Total operating revenue	$ 1,684,665
Total operating expenses	(2,624,588)
Interest income & Federal/State Grants	570,091
Capital contributions	3,642,656
Change in Net Position	**$ 3,272,824**

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

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

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

3. Northern Colorado Law Enforcement Training Center: On March 19, 2019 the City of Loveland and the City of Fort Collins entered into an agreement to construct a regional training campus for their respective Police departments. This campus is jointly owned by the cities of Loveland and Fort Collins, Colorado. Ownership will be 50% for each City. The campus completed construction in early 2021.

As of December 31, 2021	
Total Current Assets	$ 220,412
Total Assets	220,412
Total Current Liabilities	(8,099)
Total Net Position	**$ 212,313**

For the Year Ended December 31, 2021	
Total operating revenue	$ 62,514
Total operating expenses	(291,036)
Interest income	835
Contributions	440,000
Change in Net Position	**$ 212,313**

Note 1: Summary of Significant Accounting Policies (continued)

A. Reporting Entity (continued)

None of the joint ventures are accumulating financial resources or are experiencing fiscal stress that are expected to create a significant financial benefit or burden on the City in the foreseeable future.

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

Government-Wide and Fund Financial Statements

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

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

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

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

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

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

The City reports the following Major Governmental Funds:

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

Note 1: Summary of Significant Accounting Policies (continued)

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

4. Capital Expansion Fee (CEF) Fund: This is a Capital Projects Fund that accounts for the expansion of general city facilities and infrastructure. Revenue is derived from fees specifically for the expansion of city facilities and infrastructure collected as part of the building permit process.
5. Loveland Fire Rescue Authority (LFRA) Fund: This Fund accounts for the operations and capital needs of the Fire Authority. Funding sources are primarily from the General Fund and the Loveland Rural Fire District.
6. Capital Projects Fund: This Fund accounts for the major capital improvements of the City. Most of the revenues are transfers from other funds (65.6%) and grant revenue (23.6%).

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 and Capital Project Funds in the governmental statements as major funds even though these funds don't qualify as major funds; the City believes these funds are particularly important to financial statement users and also to be consistent with prior year's reporting.

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.

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 2021 has been recorded in 2021. 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, 2021, the allowance for uncollectable accounts was $568,845. Revenue from grants and donations is recognized in the period in which all eligibility requirements have been satisfied.

Note 1: Summary of Significant Accounting Policies (continued)

G. Inventories

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

H. 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 2021, the three-year cycle of physical inventories included the Library, Public Works, Transit, Police, Cultural Services, LLBA, Power, Golf, Risk & Insurance and Solid Waste.

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 less than the maximum accrual and compensation time balances are paid to the employee upon separation of service. These liabilities are accrued when incurred in the government-wide and proprietary fund financial statements. The entire compensated absence liability is reported on the government-wide financial statements.

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

K. Deferred Outflows/Inflows of Resources (continued)

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 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. In other governmental funds if expenditures incurred for a specific purpose exceeds the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

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

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 Standards which will impact the City are 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.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, issued May 2020. This will be effective for the City beginning with its fiscal year ending December 31, 2022. Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users. Under this Statement, a government should recognize a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability.

Note 2: Cash and Investments

Cash and investments at December 31, 2021, consisted of the following:

Deposits	$ 151,337,382
Investments	$ 168,620,289
Total	$ 319,957,671

Deposits and investments are displayed within this report as follows:

Cash	$ 17,099
Equity in Pooled Cash and Cash Equivalents	76,094,524
Equity in Pooled Investments	136,166,960
Equity in Restricted Cash	74,955,879
Equity in Restricted Investments	32,349,848
Equity in Pooled Cash and Cash Equivalents - Fiduciary Fund	11,391
Equity in Restricted Cash Fiduciary Fund	258,489
Equity in Pooled Investments Fiduciary Fund	103,481
Total	$ 319,957,671

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 $41,097,152 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 $3,361 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, 2021:

- U.S. Treasury securities of $70,880,563 are valued using quoted market prices (Level 1 inputs)
- U.S. Agency securities of $65,736,200 are valued using matrix pricing techniques (Level 2 inputs)
- Corporate Bonds of $18,070,260 are valued using matrix pricing techniques (Level 2 inputs)
- Municipal Bonds of $12,553,430 are valued using matrix pricing techniques (Level 2 inputs)
  Foreign Issues of $1,379,836 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, 2021, the City had $38,396,063 collateralized with securities held by the financial institution's agent but not in the City's name.

D. Investments

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

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

At December 31, 2021, 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
U.S. Treasury Notes	N/A	-	22,161,043	48,676,020	70,837,063
U.S. Agency Securities	AA+	9,995,766	11,647,548	44,052,545	65,695,859
Corporate Bonds	AA-/A/A+/AA/AA+	4,547,517	13,511,654	-	18,059,171
Municipal Bonds	AA/AA+	1,355,962	8,207,606	2,982,158	12,545,726
Foreign Issues	AA/AA+	-	1,378,989	-	1,378,989
Total		$ 15,899,245	$ 56,906,840	$ 95,710,723	$ 168,516,808
Fiduciary Funds					
U.S. Treasury Notes	N/A	-	13,609	29,891	43,500
U.S. Agency Securities	AA+	6,138	7,152	27,051	40,341
Corporate Bonds	AA-/A/A+/AA/AA+	2,792	8,297	-	11,089
Municipal Bonds	AA/AA+	833	5,040	1,831	7,704
Foreign Issues	AA/AA+	-	847	-	847
Total		$ 9,763	$ 34,945	$ 58,773	$ 103,481

1. Local Government Investment Pools: At December 31, 2021, the City had $3,361 invested in Colotrust

Note 2: Cash and Investments (continued)

D. Investments (continued)

and $41,097,152 in Colorado Surplus Asset Fund Trust (CSafe), investment vehicles established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces the requirements of creating and operating the Pools. The Pools operate similarly to a money market fund with each share equal in value to $1.00. The Pools are rated AAAm by Standard and Poor's. Investments of the Pools are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. There is no limitation on withdrawals from the local government investment pools. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the participating governments. Financial statements can be obtained at www.csafe.org and www.colotrust.com.

2. Interest Rate Risk: State statutes and the City's Investment Policy limit investments in US Treasury and Agency securities to an original maturity up to five years with a minimum credit rating of A+/A1. State Statutes and the City's Investment Policy require all repurchase agreements with a maturity of one year or less and collateralized with securities allowed by statute at no less than 102% of fair value. State statutes and the City's Investment Policy limit investments in corporate bonds to an original maturity of three years or less.
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 (42.04%), Federal Home Loan Bank (8.90%), Federal National Mortgage Association (5.93%), Federal Home Loan Mortgage Corporation (12.54%) and Federal Farm Credit Bank (11.61%).

E. Restricted Investments

Investments of $32,349,848 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, 2021, were as follows:

Due From	Due To	Amount
Transportation Fund	General Fund	$ 364,218
Electric & Communications	General Fund	$ 369,657

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, 2021
CEF Fund	Loveland Urban Renewal	$ 900,000	$ 373,071	$ 526,929
CEF Fund	Loveland Urban Renewal	1,500,000	750,842	749,158
General Fund	Loveland Urban Renewal	63,100	32,840	30,260
CEF Fund	General Fund	1,700,000	944,282	755,718
Fleet Fund	General Fund	500,000	277,730	222,270
CEF Fund	Loveland Urban Renewal	$ 366,000	$ 111,356	$ 254,644

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.

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

Loveland Urban Renewal Authority
Payment Schedule

	Beginning Balance	Principal	Interest	Total Payment
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		**$ 749,158**	**$ 80,598**	**$ 829,755**

Payment Schedule

	Beginning Balance	Principal	Interest	Total Payment
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		**$ 30,260**	**$ 3,256**	**$ 33,516**

Loveland Urban Renewal Authority Payment Schedule

	Beginning Balance	Principal	Interest	Total Payment
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		**$ 526,929**	**$ 56,690**	**$ 583,620**

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

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

Economic Incentive Fund Payment Schedule

	Beginning Balance	Principal	Interest	Total Payment
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		**$ 977,988**	**$ 76,963**	**$ 1,054,951**

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
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		**$ 254,644**	**$ 27,395**	**$ 282,039**

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

Transfers between funds were as follows:

	Transfers In:										
	General	Capital Projects	Transportation	CEF's	Water	Storm-water	Solid Waste	Internal Services	Loveland Fire Rescue Authority	Non-Major Governmental Funds	Total
Transfers Out:											
General	$ -	$ 1,613,485	$ 11,828,026	$ 155,019	$ 452	$ 400	$ -	$ 725,030	$ 671	$ 620,000	$ 14,943,083
Capital Projects	29,164	-		-	-	-	-	-	-	-	29,164
Transportation	73,207	-	-	-	-	-	-	-	-	-	73,207
CEF's	-	221,146	1,248,249	-	-	-	-	-	-	-	1,469,395
Water	73,485	272,043	489	-	-	-	-	-	-	-	346,017
Wastewater	37,258	272,043	335	-	-	-		-	-	-	309,636
Electric & Communications	695,466	642,780	518	-	-	-	-	-	-	-	1,338,764
Stormwater	41,952	116,363	447	-	-	-	-	-	-	-	158,762
Solid Waste	-	288,598	-	-	-	-	-	-	-	-	288,598
Internal Services	652,782	277,403	-	-	-	-	240,000	-	-	-	1,170,185
	$ 1,603,314	$ 3,703,861	$ 13,078,064	$ 155,019	$ 452	$ 400	$ 240,000	$ 725,030	$ 671	$ 620,000	$ 20,126,811

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

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

The General Fund transferred $11,828,026 and the Capital Expansion Fees Fund transferred $1,248,249 to the Transportation Fund for various street capital projects throughout the City. The General Fund transferred $725,030 to the internal services fund for use on one-time capital.

Note 4: Capital Assets

Capital asset activity for the year ended December 31, 2021 was as follows:

Governmental Activities	Beginning Balance	Increases/ Transfers	Decreases/ Transfers	Ending Balance
Capital Assets, not being depreciated				
Land	$ 63,830,257	$ 4,647,209	$ 189,601	$ 68,287,865
Easements	6,828,260	93,871	112,645	6,809,486
Water Rights	2,747,520	-	-	2,747,520
Art Collection	7,654,835	374,019	-	8,028,854
Construction in Progress	49,362,623	7,166,832	29,166,086	27,363,369
Total Capital Assets, not being depreciated	130,423,495	12,281,931	29,468,332	113,237,094
Capital Assets, being depreciated				
Buildings	106,319,809	4,673,743	-	110,993,552
Equipment	52,260,662	7,630,715	1,595,438	58,295,939
Improvements Other Than Buildings	64,771,642	12,351,898	-	77,123,540
Infrastructure	329,263,766	40,576,591	2,921,542	366,918,815
Total Capital Assets, being depreciated	552,615,879	65,232,947	4,516,980	613,331,846
Less accumulated depreciation for:				
Buildings	33,568,541	2,717,830	-	36,286,371
Equipment	32,028,599	4,073,444	1,556,928	34,545,115
Improvements Other Than Buildings	30,245,256	3,056,053	-	33,301,309
Infrastructure	123,362,772	11,061,945	2,921,542	131,503,175
Total Accumulated Depreciation	219,205,168	20,909,272	4,478,470	235,635,970
Total capital assets, being depreciated, net	333,410,711	44,323,675	38,510	377,695,876
Governmental activities capital assets, net	**$ 463,834,206**	**$ 56,605,606**	**$ 29,506,842**	**$ 490,932,970**

Business-type Activities	Beginning Balance	Increases/ Transfers	Decreases/ Transfers	Ending Balance
Capital Assets, not being depreciated				
Land	$ 14,949,962	$ -	$ -	$ 14,949,962
Easements	32,533,720	775,155	283,208	33,025,667
Water Rights	77,769,650	21,000	-	77,790,650
Construction in Progress	58,161,203	88,522,041	32,924,268	113,758,976
Total Capital Assets, not being depreciated	$ 183,414,535	$ 89,318,196	$ 33,207,476	239,525,255
Capital Assets, being depreciated				
Buildings	31,776,296	5,935,922	-	37,712,218
Equipment	28,890,169	2,860,624	667,811	31,082,982
Improvements Other Than Buildings	185,203,263	9,468,702	64,269	194,607,696
Infrastructure	383,329,110	53,443,772	2,459,158	434,313,724
Total Capital Assets, being depreciated	$ 629,198,838	$ 71,709,020	$ 3,191,238	697,716,620
Less accumulated depreciation for:				
Buildings	7,601,390	912,811	-	8,514,201
Equipment	17,914,064	2,961,572	667,809	20,207,827
Improvements Other Than Buildings	65,456,973	4,555,626	59,318	69,953,281
Infrastructure	117,542,440	9,389,987	395,940	126,536,487
Total Accumulated Depreciation	$ 208,514,867	$ 17,819,996	$ 1,123,067	225,211,796
Total capital assets, being depreciated, net	420,683,971	53,889,024	2,068,171	472,504,824
Business-type activities capital assets, net	**$ 604,098,506**	**$ 143,207,220**	**$ 35,275,647**	**$ 712,030,079**

Note 4: Capital Assets (continued)

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

Governmental Activities		
Executive	$	2,949
Library		573,682
Finance		5,605
Information Technology		357,234
Development Services		2,820,713
Public Works		9,551,255
Police		808,325
Fire		1,162,976
Parks & Recreation		3,463,692
Cultural Services		269,689
Nondepartmental		109,353
Internal Service Fund		1,783,799
Total Governmental Activities	**$**	**20,909,272**

Business-Type Activities		
Water	$	4,084,882
Wastewater		3,712,890
Stormwater		1,424,651
Electric & Communications		7,253,844
Solid Waste		970,931
Golf		330,680
Total Business-Type Activities	**$**	**17,777,878**

Note 5: Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2021, was as follows:

	Balance 12/31/2020	Additions	Reductions	Balance 12/31/2021	Due Within One Year
Governmental Activities					
Compensated Absences	$ 5,752,556	$ 3,475,726	$ 3,404,272	$ 5,824,010	$ 3,203,206
Certificates of Participation	15,540,000	-	370,000	15,170,000	380,000
Direct Placement Debt:					
Lease Purchase Agreement	$ -	$ 11,365,000	$ -	$ 11,365,000	$ 445,000
Equipment Lease Purchase	-	1,179,937	-	1,179,937	162,733
Loan Agreement	-	1,000,000	-	1,000,000	-
Capital Leases	3,661,054	-	3,661,054	-	-
IGA for Apparatus Purchase	811,811	-	811,811	-	-
Pollution Remediation	$ 520,000	$ 196,475	$ -	$ 716,475	$ 286,495
Oversizing Agreements	1,180,149	-	268,706	911,443	152,000
Total	$ 27,465,570	$ 17,217,138	$ 8,515,843	$ 36,166,865	$ 4,629,434
Business-Type Activities					
Electric & Communication Bonds	$ 85,015,000	$ -	$ -	$ 85,015,000	$ -
Premium on Bonds	9,722,770	-	438,875	9,283,895	405,115
Water Enterprise Bonds	-	52,340,000	-	52,340,000	1,305,000
Premium on Bonds	-	7,957,438	132,624	7,824,814	318,298
Direct Placement Debt:					
Water Bonds	$ 10,680,000	$ -	$ 8,275,000	$ 2,405,000	$ 170,000
Wastewater Bonds	23,545,000	-	715,000	22,830,000	4,050,000
ARO Liability-Hydro	$ 1,732,022	$ -	$ 684,107	$ 1,047,915	$ 1,047,915
ARO Liability-Solar	313,500	-	-	313,500	-
Compensated Absences	1,670,342	1,244,216	1,246,124	1,668,434	917,639
Oversizing Agreements	118,274	72,515	47,098	143,691	143,691
Total	$ 132,796,908	$ 61,614,169	$ 11,538,828	$ 182,872,249	$ 8,357,658

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
2022	$ 380,000	$ 511,043
2023	400,000	497,991
2024	405,000	484,431
2025	425,000	470,532
2026	435,000	456,040
2027-2031	2,420,000	2,045,696
2032	10,705,000	181,450
Total	**$ 15,170,000**	**$ 4,647,183**

B. Loan Agreement

In January 2021 the DDA entered into a reimbursement agreement for eligible public improvements at the Cleveland Station project located at the southeast corner of 5th Street and Cleveland for $800,000 and additional smaller projects in the DDA for $200,000 for a total loan of $1,000,000. The project is in both the DDA and LURA downtown boundaries, with the property and sales tax increment related to this project going to LURA downtown. The agreement was approved for LURA downtown to use the tax increment on this property to repay the debt until LURA sunsets on 10/1/2027. After this date the DDA will use the same tax increment to pay the remainder of the debt. The debt has a reserve equal to the yearly payment on the debt of $118,270. This agreement doesn't creat a general obligation or other indebtedness or multiple fiscal year direct or indirect obligation to the City.

The interest rate is 3.26% with a final maturity date of 12/1/2033. Interest is paid semi-annually on June 1st and December 1st. Principal payments are also semi-annual and will begin on June 1st, 2024. The default provision for this debt is the Lender shall be entitled to the appointment of a receiver or receivers of the Pledged Revenue.

Year	Principal	Interest
2022	$ -	$ 34,049
2023	-	32,600
2024	86,366	31,902
2025	89,204	29,063
2026	92,136	26,132
2027-2031	508,141	83,196
2032-2033	224,153	8,233
Total	$ 1,000,000	$ 245,175

C. 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 had a final maturity date of August 1, 2033. This bond was paid off upon issuance of the 2021 Water bond.

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

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

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 $1,087,706 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.

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.

In July 2021, the City Water fund issued revenue bonds in the amount of $52,340,000 tax exempt bonds for the City's participation in the Windy Gap Firming project and the construction of a new water storage tank. In addition the proceeds of this debt was used to pay and cancel the 2013 Water bond. The outstanding balance is excluding the unamortized premium of $7,824,814. The bond premium received upon the issuance of the debt was $7,957,438 and $132,624 has been amortized. The rate of interest on the bonds is 3.322%. The bonds have a final maturity date of 8/1/2046 with the first principal payment of $1,305,000 due on 8/1/2022. The bonds are payable from the net revenues from the Water fund and the lien on those revenues is on a parity with the lien of the 2015 bond.

Interest payment will begin in February 2022. Principal payments are due annually beginning August 1, 2022, and interest payments are due semi-annually on February 1st and August 1st. The default provisions for this debt are after 60 days notice the Paying Agent will receive not less than 25% of the aggregate principal amount.

Note 5: Long-Term Liabilities (continued)

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

	Principal				Interest			
Year	2015 Water Bond	2017 Wastewater Bond	2019 Electric & Communications Bond	2021 Water Bond	2015 Water Bond	2017 Wastewater Bond	2019 Electric & Communications Bond	2021 Water Bond
2022	$ 170,000	$ 4,050,000	$ -	$ 1,305,000	$ 71,669	$ 915,665	$ 3,811,106	$ 1,757,208
2023	175,000	880,000	1,250,000	1,370,000	66,603	771,858	3,811,106	1,695,300
2024	180,000	920,000	2,630,000	1,425,000	61,388	735,690	3,775,431	1,640,500
2025	185,000	955,000	2,710,000	1,480,000	56,024	697,878	3,697,215	1,583,500
2026	190,000	995,000	2,795,000	1,540,000	50,511	658,628	3,612,663	1,524,300
2027-2031	1,045,000	5,970,000	15,425,000	8,665,000	163,751	2,624,441	16,605,913	6,647,300
2032-2036	460,000	7,395,000	18,800,000	10,420,000	20,711	1,278,004	13,238,006	4,897,450
2037-2041	-	1,665,000	23,960,000	12,105,000	-	68,431	8,072,000	3,215,250
2042-2046	-	-	17,445,000	14,030,000	-	-	1,772,750	1,287,450
Total	**$ 2,405,000**	**$ 22,830,000**	**$ 85,015,000**	**$ 52,340,000**	**$ 490,657**	**$ 7,750,595**	**$ 58,396,190**	**$ 24,248,258**

Pledged Revenues

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

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

	Amount Pledged	Term of Commitment
2015 Water Bond	$ 2,895,657	2033
2017 Wastewater Bond	30,580,595	2037
2019 Electric & Communications Bond	143,411,190	2044
2021 Water Bond	76,588,258	2046
	$ 253,475,700	

Note 5: Long-Term Liabilities (continued)

D. Lease Purchase Agreement

The Loveland Fire Rescue Authority entered into a lease purchase agreement on April 9, 2021. This lease purchase agreement was entered into to fund the construction of Fire Station 10 and to pay and cancel the 2018 capital lease. The repayment schedule for the lease are semi-annual interest payments on April 1st and October 1st with the principal payments on April 1st. The rate of interest on the lease is 2.285% with a final maturity of April 1, 2041. Payments on this lease started on October 1, 2021.

Year	Principal	Interest
2022	$ 445,000	$ 255,163
2023	465,000	244,744
2024	475,000	233,981
2025	485,000	222,989
2026	500,000	211,711
2027-2031	2,670,000	879,932
2032-2036	2,985,000	556,412
2037-2041	3,340,000	194,765
Total	**$ 11,365,000**	**$ 2,799,697**

E. Equipment Lease Purchase Agreement

The Loveland Fire Rescue Authority entered into a lease purchase agreement on April 9, 2021. This lease purchase agreement was entered into to purchase 115 SCBAs, 254 cylinders, 9 RIC kits, 2 compressors and related equipment. The repayment schedule for the lease are annual principal and interest payments on January 15th. The rate of interest on the lease is 2.734% with a final maturity of January 15, 2028. Payments on this lease begin on January 15, 2022.

Year	Principal	Interest
2022	$ 162,733	$ 23,388
2023	158,311	27,810
2024	162,639	23,482
2025	167,086	19,036
2026	171,654	14,467
2027-2028	357,514	14,728
Total	$ 1,179,937	$ 122,911

F. Special Assessment Bonds

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

The City is not obligated in any manner for this debt. This debt will be serviced by special assessments paid by the property owners within the District. The outstanding balance of the bonds at December 31, 2021 is $2,585,000.

G. Developer Oversizing Agreements

The City has a number of outstanding agreements with developers requiring the City to reimburse the developers for the cost of oversizing public improvements, which are initially completed at the developer's expense. As of December 31, 2021, the City had oversizing agreements for transportation, and water. The City appropriates money annually to make payments on developer agreements with a target of having the agreement paid off by the time the improvement would have been scheduled for construction in the capital

Note 5: Long-Term Liabilities (continued)

G. Developer Oversizing Agreements (continued)

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, 2021 is as follows:

Project	Date of Contract	Orig Contract Amount	Jan 1, 2021 Balance	Contract Additions	Contract Payments	December 31, 2021 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	48,706	-	48,706	-
Highway 34 @ Sculptor	4/13/07	1,154,569	171,968	-	120,000	51,968
Sculptor South of US 34	4/13/07	431,271	251,271	-	100,000	151,271
Street Oversizing Agreements		**$ 2,759,088**	**$ 1,180,149**	**$ -**	**$ 268,706**	**$ 911,443**
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
Millennium Northwest 13th Subdivision	2/11/2021	72,515	-	72,515	-	72,515
Water Oversizing Agreements		**$ 190,789**	**$ 118,274**	**$ 72,515**	**$ 47,098**	**$ 143,691**
TOTAL DEVELOPER AGREEMENTS		**$ 2,949,877**	**$ 1,298,423**	**$ 72,515**	**$ 315,804**	**$ 1,055,134**

**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 loss received was $(769) leaving an ending fund balance of $49,645.

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 2021, 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 2021-2022 renewal period (7/01/2021 through 6/30/2022) the City renewed with a per-occurrence deductible of $100,000. Pinnacol also provides the City with a workers' compensation employers' liability limit of $2,000,000.

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

Note 8: Commitments And Contingencies (continued)

A. Risk Management (continued)

Employee Benefits Fund has $13,377,527 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 $4,419,116 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
$17,796,643.

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

Description	December 31, 2021	December 31, 2020
Unpaid Claims - Beginning	$ 1,330,098	$ 1,392,939
Incurred Claims (includes IBNR's)	11,765,404	9,598,470
Claims Paid	(11,212,830)	(9,661,311)
Unpaid Claims Ending	**$ 1,882,672**	**$ 1,330,098**

B. Construction Commitments

At December 31, 2021 the City had several construction projects in process. The most significant of these are as follows:

Project	Budget	Cost to date
Chimney Hollow Reservoir	$ 77,360,680	$ 75,099,480
Muni-Fiber Outside Plant	$ 52,108,389	$ 42,343,976
Muni-Fiber Service Drops	$ 12,622,774	$ 3,583,462
Loveland Outfall Phase 3	$ 12,166,987	$ 8,425,217
Pulliam Building	$ 9,897,842	$ 3,566,710

C. Contingent Liabilities

Pending Litigation

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

Grantor Agency Audits

Under the terms of federal and state grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grant. Such audits could lead to reimbursements to the grantor agencies. The amount, if any, of expenditures which may be disallowed by the grantor cannot be

Note 8: Commitments And Contingencies (continued)

C. Contingent Liabilities (continued)

determined at this time. Management believes disallowances, if any resulting from such audits, would not materially affect the financial statements of the City.

Note 9: Retirement Commitments

A. Defined Contribution Plans

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

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

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

Contribution requirements and amounts contributed during 2021 are as follows:

	Police Officers	Firefighters	Non-uniformed Employees
Required Contribution Rate			
Employer	10% - 15%	10%	5% - 9%
Employee	10%	10%	3%
Amounts Contributed			
Employer	$ 1,391,148	$ 901,118	$ 2,760,170
Employee	997,366	901,118	1,294,104
Total	$ 2,388,514	$ 1,802,236	$ 4,054,274

B. Defined Benefit Plans

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

Note 9: Retirement Commitments (continued)

B. Defined Benefit Plans (continued)

Loveland and Rural Consolidated Volunteer Firefighters

1. Plan Description:

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

2. Benefits Provided:

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

As of January 1, 2021, the most recent actuarial valuation date, the plan was 62.02% funded. The membership of the Loveland and Rural Consolidated Volunteer Firefighters Pension Plan is:

Retirees and Beneficiaries	67
Inactive, Nonretired Members	2
Active Members	0
Total Members	69

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, 2021 is:

Total Pension Liability	$	4,041,223
Plan Fiduciary Net Position		2,506,346
Net Pension Liability	$	1,534,877

Note 9: Retirement Commitments (continued)

B. Defined Benefit Plans (continued)

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Beginning Balance	$ 3,916,993	$ 2,470,987	$ 1,446,006
Changes for the Year			
Service Cost	-	-	-
Interest	260,104	-	260,104
Difference between expected and actual experience of the Total Pension Liability	273,482	-	273,482
Contributions - Employer	-	101,700	(101,700)
State of Colorado discretionary payment		65,665	(65,665)
Net Investment Income	-	291,913	(291,913)
Benefit Payments, Including Refunds	(409,356)	(409,356)	-
Administrative Expense	-	(14,563)	14,563
Net Changes	124,230	35,359	88,871
Ending Balance as of 12/31/21	$ 4,041,223	$ 2,506,346	$ 1,534,877

At December 31, 2021, 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	$ -	$ (165,272)
Employer contributions to the plan subsequent to the measurement date	101,700	-
Total	$ 101,700	$ (165,272)

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:

2022	$(57,013)
2023	(22,358)
2024	(60,316)
2025	(25,585)
2026	-
Total	$(165,272)

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, 2021 for the measurement period ending December 31, 2020. 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, 2021, 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, 2020 measurement date. Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2019 determines the contribution amounts for 2020 and 2021.

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 Rate *	2.00%

The last year ending December 31 in the 2021 to 2120 projection period for which projected benefit payments are fully funded is year 2120.

Note 9: Retirement Commitments (continued)

B. Defined Benefit Plans (continued)

*Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of December 31, 2020." In describing this index, Fidelity notes that the municipal curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax exempt securities.

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

1% Decrease to 6.0%	$ 1,872,808
Current Single Discount Rate Assumption of 7.0%	$ 1,534,877
1% Increase to 8.0%	$ 1,243,882

8. Long Term Expected Rate of Return:

Asset Class	Target Allocation	Long Term Expected Rate of Return
Global Equity	39%	8.23%
Equity Long/Short	8%	6.87%
Private Capital	26%	10.63%
Fixed Income - Rates	10%	4.01%
Fixed Income - Credit	5%	5.25%
Absolute Return	10%	5.60%
Cash	2%	2.32%
Total	100%	7.79%

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, 2020, 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, 2021, $1,841,425 is available for these purposes. This balance will be incorporated into the 2023 Budget Planning Process.

The City has established an Emergency Reserve, representing 3% of qualifying expenditures, as required by the amendment. At December 31, 2021, the emergency reserve of $3,256,861 as reported as a restriction of fund balance in the General Fund.

The following table shows revenue and growth items applicable to the revenue limit for 2021.

Actual revenue	$	108,562,032	CPI increase	3.54%
Base revenue		106,720,607	Growth increase	1.77%
Surplus/(Deficit)	**$**	**1,841,425**	**Total increase allowed**	**5.31%**

Note 11: Fund Balance Designation

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

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

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

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

Since 2005, when the Citizen Finance Advisory Commission brought a policy to City Council, the City has retained a minimum of 15% of the General Fund expenditures in the unassigned fund balance in essence as a stabilization fund. The City Council must formally adopt a supplemental appropriation to use these funds. The replenishment of the funds would be strategically addressed in the General Fund Ten Year Financial Master Plan that is updated annually. Even during the most significant economic event, the City has not used this stabilization balance. The balance as of December 31, 2021 is $12,795,943.

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	-	-	$ 442,351	-	-	-	$ 22,481	$ 464,832
Interfund Loan Receivable	30,261	-	-	-	-	-	-	30,261
Permanent Fund	-	-	-	-	-	-	3,557,076	3,557,076
Total Nonspendable	**30,261**	**-**	**442,351**	**-**	**-**	**-**	**3,579,557**	**4,052,169**
Restricted								
Tabor 3% Emergency Reserve	3,256,861	-	-	-	-	-	-	3,256,861
Reserve for Excess Tabor	1,841,425	-	-	-	-	-	-	1,841,425
Urban Revitalization	-	3,489,306	-	-	-	-	664,927	4,154,233
Parks & Recreation	13,105	-	-	-	-	-	5,266,568	5,279,673
Open Space Acquisitions	-	-	-	-	-	-	11,216,086	11,216,086
Law Enforcement	-	-	-	-	-	-	261,958	261,958
Fire & Rescue	-	-	-	-	14,780,713	-	-	14,780,713
Conventions & Tourism	-	-	-	-	-	-	686,991	686,991
Museum Programs	743,565	-	-	-	-	-	-	743,565
Downtown Maintenance	-	-	-	-	-	-	280,173	280,173
Police Donations	246,252	-	-	-	-	-	-	246,252
Library Books	294,221	-	-	-	-	-	-	294,221
Total Restricted	**6,395,429**	**3,489,306**	**-**	**-**	**14,780,713**	**-**	**18,376,703**	**43,042,151**
Committed:								
Future Capital Improvements	-	-	-	39,876,828	-	-	-	39,876,828
Interfund Loan Receivable	-	-	-	2,286,449	-	-	-	2,286,449
Art in Public Places	825,050	-	-	-	-	-	-	825,050
Public Education	-	-	-	-	-	-	441,124	441,124
Affordable Housing Agreements	-	-	-	-	-	-	1,245,543	1,245,543
Total Committed	**825,050**	**-**	**-**	42,163,277	**-**	**-**	**1,686,667**	**44,674,994**
Assigned								
Parks Capital Improvements	-	-	-	-	-	-	951,119	951,119
Fiber Network	-	-	-	-	-	-	369,742	369,742
Total Assigned	**-**	**-**	**-**	**-**	**-**	**-**	**1,320,861**	**1,320,861**
Unassigned:	**40,621,338**	**-**	**(442,351)**	**-**	**-**	**(1,150,884)**	**-**	**39,028,103**
Total Fund Balances	**$ 47,872,078**	**$ 3,489,306**	**$ -**	**$ 42,163,277**	**$ 14,780,713**	**$ (1,150,884)**	**$ 24,963,788**	**$ 132,118,278**

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 public purpose including but not limited to providing significant cultural, social, and/or economic benefits to the citizens of Loveland.

The following is a list of the incentives active in 2021:

Artspace Loveland

Artspace Projects, Inc purchased property in downtown Loveland to develop an affordable, mixed-use live/work artist space. In October 2013, the City agreed to waive use tax in an amount not to exceed $75,000 and provide a loan for $300,000 for 30 years at the rate of 1.75%. Annually the developer makes principal and interest payments equal to 75% of the residual cash flow from the previous calendar year. The residual cash flow paid to the City is applied first to any accrued but unpaid interest and then to the principal balance of the loan. The developer made no loan payments in 2016 or 2017, as there was no residual cash flow in the preceding years. The City has received payments since 2018 totaling $45,601.

Nordson Medical (dba Value Plastics, Inc)

The company built a new manufacturing facility in Loveland and relocated their medical components unit. Through agreements approved in October 2013 and November 2014, the City agreed to waive the building permit fees and use tax in an amount not to exceed $311,000; waive Capital Expansion Fees and System Impact Fees valued at $230,000 which were backfilled from the Economic Incentives Fund; and pay $313,000 for site infrastructure. These agreement terms were fulfilled in 2014 and 2015. The remaining term is the rebate of 100% of the City's portion of the Business Personal Property Tax (BPPT) for five years commencing with the 2017 taxes payable in 2018. As of 12/31/2021, 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. City Council approved an agreement in July 2013 that waived certain building permit fees and materials use tax 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. The City granted a series of extensions with the last extension ending August 27, 2018. A settlement for the cash-in-lieu payment was reached with the current property owner in 2021 and this item is now closed.

Hach Company

The company constructed a new research and development facility at the company's existing site. The City waived building permit fees and materials use tax and offered a refund of the City's portion of business personal property tax (BPPT) in a combined amount not to exceed $700,000. The agreement approved in November 2014 was amended in October 2015 to extend the deadlines for obtaining a building permit. The remaining term is the rebate of the City's portion of the Business Personal Property Tax (BPPT). The City is obligated to rebate, on an annual basis, the personal property tax paid by Hach for that year. The BPPT rebate amount is capped at $180,658.78, which is the difference between the incentive amount of $700,000 and the actual waivers of $519,341.22. The company completed the new facility in August 2017. As of 12/31/2021 the City has issued $97,013.20 in BPPT rebates.

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

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

Note 12: Tax Abatement (continued)

1, 2016 and the City has not exercised the guarantee provision with Evergreen. In September 2017, Evergreen Development sold the Sprouts property, which triggered the net proceeds provision in the agreement. The City received 40% of the sales proceeds ($307,000).

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 all five payments on time. The terms of the agreement have been met.

The Foundry Loveland, LLC

The Foundry project was a $75 million redevelopment of 2-1/2 blocks in downtown Loveland. The redevelopment agreement approved in December 2016 reimbursed the developer $17,676,367 for construction of a city owned parking garage, a public plaza, sidewalks and other public improvements. A July 2018 amendment to the agreement approved an additional amount of $477,647 for additional project improvements. The grand opening of The Foundry occurred in August 2019. The remaining agreement term is an incentive, not to exceed $2,189,944, for the development of a movie theater complex. The movie theater incentive is payable in annual installments, over 10 years, of $200,000 plus 2%. The first payment was issued to the developer in 2019. The 2021 payment (year 3/10) was $208,080 and was issued in December, 2021.

Eagle Crossing Development, Inc (The Brands Project)

The developer plans to build a mixed-use retail, entertainment, office, residential and hotel complex near I-25 and Crossroads Boulevard. In December 2016, City Council approved an incentive agreement. The agreement terms provide for a city sales tax rebate to the developer for a period of 25 years from issuance of a certificate of occupancy or December 31, 2047, whatever occurs first. The rebate amount is 2 cents of each 3 cents of city sales tax collected for anchor tenants. For junior anchors, the rebate amount is 2 cents of each 3 cents collected for years 1 through 15 and 1.25 cents of each 3 cents collected for years 16 through 25. For other retailers (non-anchor) the rebate is 1.25 cents for each 3 cents collected. The building permit fee and material use tax waivers expired December 31, 2021. The City has issued sales tax rebates based on the development of qualified other retailers (non-anchor) since 2019.

4^{th} & Garfield, LLC

The project was a three story, 20,000 square foot mixed-use infill development located at the northeast corner of 4^{th} and Garfield Avenue in downtown Loveland. City Council approved an agreement with the Downtown Development Authority (DDA) and the developer in July 2019 for an incentive package of $625,000 for the design and construction of eligible public improvements plus a $50,000 waiver of the materials use tax. The agreement stated the developer will obtain necessary permits and commence construction prior to December 31, 2019. The developer was granted a series of extensions through contract amendments. The developer was unable to obtain the required permits and commence construction by June 30, 2021 and the agreement terminated.

JAX, Inc.

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

Note 12: Tax Abatement (continued)

Metropolitan Theatres Corporation (Metrolux 14 Theatres)

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

Love 450 Inc, (Cleveland Station)

The Cleveland Station project is located at the SE corner of 5th and Cleveland Avenue in downtown Loveland. When completed the project will have rehabilitated 24,402 square feet of retail and office space. The property is located within the Loveland Urban Renewal Authority Downtown Plan Area and in the Downtown Development Authority (DDA). City Council approved an agreement with the DDA and the developer (Love 450, Inc) in January 2021. The developer will be reimbursed up to $800,000 for the design and construction of eligible public improvements as defined in the reimbursement agreement. In October 2021, City Council and the LURA Board of Directors approved a loan agreement which included $800,000 for the Cleveland Station project. Loan payments will be supported by dedicating 100% of future property and city sales tax increment from the Cleveland Station project until the loan is paid off. At closing, the City funded a Reserve Fund in an amount equal to 100% of the maximum annual debt service requirements of the loan. The DDA will issue reimbursement payments to the developer per the process outlined in the reimbursement agreement. The City, through the Finance Department, reviews and approves all payments prior to issuance by the DDA.

Lincoln DB, LLC (Dutch Brothers)

This retail incentive was approved by City Council in May 2021 for a Dutch Brothers drive through coffee shop located at 975 N Lincoln Avenue. The property is within the boundaries of the Loveland Urban Renewal Authority Downtown Plan Area and the Downtown Development Authority (DDA). The agreement is between the City, DDA and the developer and reimburses the developer for the design and construction of eligible public improvements. Dutch Brothers received a certificate of occupancy in May 2021. The calculation period for the reimbursement begins the first, full year of operation which is 2022. The first payment to the developer will occur January 2023. The reimbursement amount is the equivalent of 50% of the annual city sales tax generated at the project site. The reimbursement will be paid annually for six years or up to $99,070 whichever occurs first. The agreement is contingent on approval and appropriation action and issuance of debt, loan, or advance by City Council.

Opterus Research and Development

In accordance with the small business incentive program, the City Manager approved a $30,000 cash incentive to Opterus in August 2021. Opterus R&D is an advanced structures company in the aerospace industry. The incentive helped offset the costs of over $1.45 million in tenant finish and equipment at their location in the Forge Campus at 815 14th Street SW. The incentive is subject to repayment if the lease at The Forge is not maintained for three years. Payment of the incentive is anticipated to be made in early 2022 when the terms of the agreement are met.

Simply Delicious, Inc (Bobo's)

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

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, 2021 was $716,475 of which $286,495 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 $66,495 in 2022 and $123,600 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.

- The City recorded a liability for remediation activities at the Foundry parking garage which has a dewatering permit which requires groundwater sampling. The costs are estimated to be $120,000 in 2022 and $70,000 in subsequent years.

- The City recorded a liability for remediation activities at the NCLETC for periodic removal of lead hazardous waste components from shooting activities. The costs are estimated to be $100,000 in 2022.

Note 15: Prior Period Adjustment

This prior period adjustment is for capital expenditures expended in the Capital Expansion Fees fund that should have been expended against the Capital Project fund for the Northern Colorado Law Enforcement Training Center. The net position for both funds needs to be restated for the amount of the expenditures as follow:

Capital Expansion Fees fund	
Net position December 31,2020 as previously reported	$ 32,110,116
Increase for expenditures moved to Capital Projects funds	231,254
Net position December 31,2020 as Restated	$ 32,341,370

Capital Project funds	
Net position December 31,2020 as previously reported	$ (1,439,858)
Decrease for expenditures moved from Capital Expansion Fees fund	(231,254)
Net position December 31,2020 as Restated	$ (1,671,112)

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, 2021

	Budgeted Amounts (unaudited)			Difference with Final
	Original	Final	Actual	Budget
Revenues:				
Taxes	$ 71,264,349	$ 71,264,349	$ 79,526,807	$ 8,262,458
Licenses and Permits	2,465,839	2,465,839	6,477,122	4,011,283
Fines and Penalties	1,055,237	1,074,667	837,820	(236,847)
Intergovernmental	2,047,671	11,712,054	8,746,559	(2,965,495)
Charges for Services	3,137,574	3,137,574	3,889,254	751,680
Investment Earnings (Loss)	224,489	224,489	389,049	164,560
Payment in Lieu of Taxes	8,940,455	8,940,455	8,790,101	(150,354)
Contributions	-	226,489	23,748	(202,741)
Miscellaneous	718,887	766,763	1,096,871	330,108
Total Revenues	**89,854,501**	**99,812,679**	**109,777,331**	**9,964,652**
Expenditures:				
Current:				
Legislative	132,218	152,218	150,963	1,255
City Manager	1,807,722	2,184,843	1,883,391	301,452
City Attorney	1,341,110	1,341,110	1,295,583	45,527
City Clerk	641,134	751,134	584,936	166,198
Municipal Court	740,258	759,688	700,449	59,239
Finance	6,360,565	6,662,332	6,128,394	533,938
Human Resources	1,707,212	1,727,562	1,458,268	269,294
Information Technology	4,273,947	4,464,947	3,993,947	471,000
Economic Development	1,379,333	1,779,333	1,241,779	537,554
Development Services	2,891,307	3,038,421	2,771,733	266,688
Public Works	8,775,530	8,790,007	8,301,924	488,083
Police	25,768,928	27,027,003	24,045,391	2,981,612
Parks & Recreation	9,239,043	9,357,026	9,066,165	290,861
Library	3,137,795	3,001,934	2,947,392	54,542
Cultural Services	2,064,518	2,576,575	2,112,693	463,882
General Government	7,905,028	13,937,974	12,295,615	1,642,359
Capital Outlay	2,935,327	7,270,820	2,135,041	5,135,779
Debt Service				
Principal	370,000	370,000	370,000	-
Interest and debt service costs	791,566	791,566	562,580	228,986
Total Expenditures	**82,262,541**	**95,984,493**	**82,046,244**	**13,938,249**
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,591,960	3,828,186	27,731,087	23,902,901
Other Financing Sources (Uses):				
Transfers In	1,756,931	3,175,203	1,603,315	(1,571,888)
Transfers (Out)	(14,827,698)	(23,659,371)	(14,943,083)	8,716,288
Total Other Financing Sources (Uses)	**(13,070,767)**	**(20,484,168)**	**(13,339,768)**	**7,144,400**
Net Change in Fund Balance	(5,478,807)	(16,655,982)	14,391,319	31,047,301
Fund Balance--Beginning	**33,480,759**	**33,480,759**	**33,480,759**	**-**
Fund Balance--Ending	**$ 28,001,952**	**$ 16,824,777**	**$ 47,872,078**	**$ 31,047,301**

See accompanying independent auditors' report.

City of Loveland, Colorado
Loveland Urban Renewal Authority
Budgetary Comparison Schedule
For the Year Ended December 31, 2021

	Budgeted Amounts (unaudited)			Difference with Final
	Original	Final	Actual	Budget
Revenues:				
Taxes	$ 17,775,000	$ 18,375,000	$ 18,805,001	$ 430,001
Charges for Services	1,670,000	1,670,000	-	(1,670,000)
Investment Earnings (Loss)	17,000	17,000	57,538	40,538
Miscellaneous	10,000	10,000	10,004	4
Total Revenues	**19,472,000**	**20,072,000**	**18,872,543**	**(1,199,457)**
Expenditures:				
Current:				
Services	1,175,531	1,175,531	44,747	1,130,784
School District Fund	995,000	995,000	2,373,417	(1,378,417)
Distribution of Tax Increment Financing	15,000,000	15,600,000	15,364,839	235,161
Principal	275,000	275,000	-	275,000
Interest and debt service costs	80,000	80,000	54,859	25,141
Total Expenditures	**17,525,531**	**18,125,531**	**17,837,862**	**287,669**
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,946,469	1,946,469	1,034,681	(911,788)
Other Financing Sources (Uses):				
Debt Proceeds	-	-	1,000,000	1,000,000
Total Other Financing Sources (Uses)	**-**	**-**	**1,000,000**	**1,000,000**
Net Change in Fund Balance	1,946,469	1,946,469	2,034,681	88,212
Fund Balance–Beginning	**1,454,625**	**1,454,625**	**1,454,625**	**-**
Fund Balance–Ending	**$ 3,401,094**	**$ 3,401,094**	**$ 3,489,306**	**$ 88,212**

See accompanying independent auditors' report.

City of Loveland, Colorado
Transportation
Budgetary Comparison Schedule
For the Year Ended December 31, 2021

	Budgeted Amounts (unaudited)			Difference with Final
	Original	Final	Actual	Budget
Revenues:				
Taxes	$ 78,000	$ 78,000	$ 86,085	$ 8,085
Licenses and Permits	218,000	218,000	180,762	(37,238)
Intergovernmental	4,120,191	8,751,539	5,294,210	(3,457,329)
Charges for Services	3,320,888	3,720,888	3,947,565	226,677
Investment Earnings (Loss)	-	-	(56,806)	(56,806)
Miscellaneous	106,120	110,420	115,454	5,034
Total Revenues	**7,843,199**	**12,878,847**	**9,567,270**	**(3,311,577)**
Expenditures:				
Current:				
Public Works	10,289,383	14,450,620	13,373,668	1,076,952
Capital Outlay	11,707,542	18,727,624	9,138,294	9,589,330
Interest and debt service costs	73,258	73,258	60,167	13,091
Total Expenditures	**22,070,183**	**33,251,502**	**22,572,129**	**10,679,373**
Excess (Deficiency) of Revenues Over (Under) Expenditures	(14,226,984)	(20,372,655)	(13,004,859)	7,367,796
Other Financing Sources (Uses):				
Transfers In	14,326,833	20,096,240	13,078,066	(7,018,174)
Transfers (Out)	(99,849)	(168,409)	(73,207)	95,202
Total Other Financing Sources (Uses)	**14,226,984**	**19,927,831**	**13,004,859**	**(6,922,972)**
Net Change in Fund Balance	-	(444,824)	-	444,824
Fund Balance–Beginning	**-**	**-**	**-**	**-**
Fund Balance–Ending	**$ -**	**$ (444,824)**	**$ -**	**$ 444,824**

See accompanying independent auditors' report.

City of Loveland, Colorado
Loveland Fire Rescue Authority
Budgetary Comparison Schedule
For the Year Ended December 31, 2021

	Budgeted Amounts (unaudited)			Difference with Final
	Original	Final	Actual	Budget
Revenues:				
Licenses and Permits	$ 159,350	$ 159,350	$ 189,078	$ 29,728
Intergovernmental	18,088,415	18,748,434	18,689,300	(59,134)
Charges for Services	1,382,894	1,382,894	2,109,203	726,309
Investment Earnings (Loss)	45,000	45,000	44,094	(906)
Miscellaneous	2,224,001	2,274,751	2,849,869	575,118
Total Revenues	**21,899,660**	**22,610,429**	**23,881,544**	**1,271,115**
Expenditures:				
Current:				
Fire	20,396,187	21,985,539	21,302,646	682,893
Capital Outlay	1,124,255	10,452,317	3,795,756	6,656,561
Principal	233,000	3,940,785	3,661,054	279,731
Interest and debt service costs	150,000	397,159	293,604	103,555
Total Expenditures	**21,903,442**	**36,775,800**	**29,053,060**	**7,722,740**
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,782)	(14,165,371)	(5,171,516)	8,993,855
Other Financing Sources (Uses):				
Transfers In	-	5,014,000	671	(5,013,329)
Transfers (Out)	-	(5,014,000)	-	5,014,000
Debt Proceeds	-	11,365,000	12,544,937	1,179,937
Total Other Financing Sources (Uses)	**-**	**11,365,000**	**12,545,608**	**1,180,608**
Net Change in Fund Balance	(3,782)	(2,800,371)	7,374,092	10,174,463
Fund Balance–Beginning	**7,406,621**	**7,406,621**	**7,406,621**	**-**
Fund Balance–Ending	**$ 7,402,839**	**$ 4,606,250**	**$ 14,780,713**	**$ 10,174,463**

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)
2021	$ 117,230	$ 132,129	(14,899)
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	182,766	182,799	(33)

*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,	2021	2020	2019	2018
Measurement period ending December 31,	2020	2019	2018	2017
Total Pension Liability				
Service Cost	$ -	$ -	$ -	$ -
Interest on the Total Pension Liability	260,104	270,052	275,919	284,838
Benefit Changes		-		-
Difference between Expected and Actual Experience	273,482	-	188,728	-
Assumption Changes		-	126,564	-
Benefit Payments	(409,356)	(414,869)	(409,231)	(398,494)
Net Change in Total Pension Liability	124,230	(144,817)	181,980	(113,656)
Total Pension Liability - Beginning	3,916,993	4,061,810	3,879,830	3,993,486
Total Pension Liability - Ending (a)	4,041,223	3,916,993	4,061,810	3,879,830
Plan Fiduciary Net Position				
Employer Contributions	101,700	123,400		101,670
Pension Plan Net Investment Income	291,913	334,026	2,940	360,131
Benefit Payments	(409,356)	(414,869)	(409,231)	(398,494)
Pension Plan Administrative Expense	(14,563)	(16,647)	(14,627)	(14,890)
State of Colorado Supplemental Discretionary Payment	65,665	-	173,178	-
Net Change in Plan Fiduciary Net Position	35,359	25,910	(247,740)	48,417
Plan Fiduciary Net Position - Beginning	2,470,987	2,445,077	2,692,817	2,644,400
Plan Fiduciary Net Position - Ending (b)	2,506,346	2,470,987	2,445,077	2,692,817
Net Pension Liability - Ending (a) - (b)	$ 1,534,877	$ 1,446,006	$ 1,616,733	$ 1,187,013
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	62.02%	63.08%	60.20%	69.41%
Covered Payroll	N/A	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A

Note to Schedule:

This schedule is required to show information for 10 years. However, until a full 10 year trend is compiled, only seven 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 $359,261,915 were approved during 2021 - of which $127,191,820 was approved for the debt issuance related to Chimney Hollow in the Water fund and $104,786,812 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.
- 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 2022.
- The Risk & Insurance fund had a deficit budget due to open claims higher that anticipated. Appropriate measures have been taken to prevent future overages, including a review of open claims prior to the end of the year.
- 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, 2021

	Budgeted Amounts (unaudited)			Difference with Final
	Original	Final	Actual	Budget
Revenues:				
Intergovernmental	$ 1,250,000	$ 1,250,000	$ -	$ (1,250,000)
Charges for Services	7,256,633	7,256,633	11,281,997	4,025,364
Investment Earnings (Loss)	186,807	186,807	(111,426)	(298,233)
Miscellaneous	86,904	126,904	746,905	620,001
Total Revenues	**8,780,344**	**8,820,344**	**11,917,476**	**3,097,132**
Expenditures				
Parks & Recreation	65,465	241,203	112,262	128,941
Capital Outlay	1,435,500	7,136,492	668,931	6,467,561
Total Expenditures	**1,500,965**	**7,377,695**	**781,193**	**6,596,502**
Excess (deficiency) of revenues over (under) expenditures	7,279,379	1,442,649	11,136,283	9,693,634
Other Financing Sources (Uses):				
Transfers In	-	-	155,019	155,019
Transfers (Out)	(2,219,535)	(4,033,503)	(1,469,395)	2,564,108
Total Other Financing Sources (Uses)	**(2,219,535)**	**(4,033,503)**	**(1,314,376)**	**2,719,127**
Net Change in Fund Balance	5,059,844	(2,590,854)	9,821,907	12,412,761
Fund Balance–Beginning	**32,110,116**	**32,110,116**	**32,110,116**	**-**
Prior Period Adjustment	-	-	231,254	231,254
Fund Balance–Ending	**$ 37,169,960**	**$ 29,519,262**	**$ 42,163,277**	**$ 12,644,015**

See accompanying independent auditors' report.

City of Loveland, Colorado
Capital Project Funds
Budgetary Comparison Schedule
For the Year Ended December 31, 2021

	Budgeted Amounts (unaudited)			Difference with Final
	Original	Final	Actual	Budget
Revenues:				
Intergovernmental	$ -	$ 1,182,657	$ 1,348,903	$ 166,246
Investment Earnings (Loss)	-	-	223,877	223,877
Miscellaneous	500,000	1,378,525	370,088	(1,008,437)
Total Revenues	**500,000**	**2,561,182**	**1,942,868**	**(618,314)**
Expenditures				
Information Technology	-	1,575,423	1,591,826	(16,403)
Public Works	-	50,234	109,640	(59,406)
Police	-	42,000	62,512	(20,512)
Parks & Recreation	-	-	9,092	(9,092)
Capital Outlay	2,745,000	8,742,449	3,324,267	5,418,182
Total Expenditures	**2,745,000**	**10,410,106**	**5,097,337**	**5,312,769**
Excess (deficiency) of revenues over (under) expenditures	(2,245,000)	(7,848,924)	(3,154,469)	4,694,455
Other Financing Sources (Uses):				
Transfers In	2,265,400	8,508,588	3,703,861	(4,804,727)
Transfers (Out)	(20,400)	(41,900)	(29,164)	12,736
Total Other Financing Sources (Uses)	**2,245,000**	**8,466,688**	**3,674,697**	**(4,791,991)**
Net Change in Fund Balance	-	617,764	520,228	(97,536)
Fund Balance--Beginning	**(1,439,858)**	**(1,439,858)**	**(1,439,858)**	**-**
Prior Period Adjustment	-	-	(231,254)	(231,254)
Fund Balance--Ending	**$ (1,439,858)**	**$ (822,094)**	**$ (1,150,884)**	**$ (328,790)**

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.

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

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

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

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

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

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

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

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, 2021

	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	97,009	1,195,831	-	5,862,213	370,305	14,020
Equity in Pooled Investments	182,266	3,668,218	-	3,691,038	293,517	-
Receivables (Net):						
Taxes	64,898	-	-	524,138	72,475	-
Accounts	-	-	-	-	-	-
Grants	-	34,855	35,307	113,017	-	12,276
Accrued Interest	465	8,924	-	17,929	1,105	23
Inventory	-	-	-	-	-	-
Restricted Assets:						
Equity in Pooled Restricted Cash	-	500,000	-	1,233,084	-	-
Total Assets	**344,638**	**5,407,828**	**35,307**	**11,441,419**	**737,402**	**26,319**
LIABILITIES						
Accounts Payable	-	97,104	32,503	112,954	-	23,436
Accrued Liabilities	-	9,301	2,804	29,362	-	2,883
Total Liabilities	**-**	**106,405**	**35,307**	**142,316**	**-**	**26,319**
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue	-	34,855	-	83,017	-	-
Deferred Property Taxes	64,465	-	-	-	72,475	-
Total Deferred Inflows of Resources	64,465	34,855	-	83,017	72,475	-
Total Liabilities and Deferred Inflows of Resources	**64,465**	**141,260**	**35,307**	**225,333**	**72,475**	**26,319**
Fund Balances:						
Nonspendable	-	-	-	-	-	-
Restricted	280,173	5,266,568	-	11,216,086	664,927	-
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Total Fund Balances	**280,173**	**5,266,568**	**-**	**11,216,086**	**664,927**	**-**
Total Liabilities and Fund Balances	**$ 344,638**	**$ 5,407,828**	**$ 35,307**	**$ 11,441,419**	**$ 737,402**	**$ 26,319**

See accompanying independent auditors' report.

SPECIAL REVENUE						CAPITAL PROJECTS	PERMANENT FUND
Affordable Housing	Police Seizures & Forfeitures	Lodging Tax	PEG Fee	Fiber Network	Police Training Campus	Parks & Recreation Improvement	Perpetual Care
$ -	$ -	$ 300	$ -	$ -	$ -	$ -	$ -
651,821	22,402	267,415	135,903	97,327	133,992	113,670	984,243
592,316	27,161	397,310	304,489	299,147	36,837	433,570	2,566,917
-	-	47,612	-	-	-	-	-
-	-	2,321	-	-	49,314	-	-
-	-	6,000	-	-	-	-	-
1,406	82	1,106	732	656	269	1,582	5,916
-	-	22,481	-	-	-	-	-
-	-	-	-	-	-	404,003	-
1,245,543	**49,645**	**744,545**	**441,124**	**397,130**	**220,412**	**952,825**	**3,557,076**
-	-	18,624	-	27,388	3,864	1,706	-
-	-	16,449	-	-	4,235	-	-
-	**-**	**35,073**	**-**	**27,388**	**8,099**	**1,706**	**-**
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	**-**	**35,073**	**-**	**27,388**	**8,099**	**1,706**	**-**
-	-	22,481	-	-	-	-	3,557,076
-	49,645	686,991	-	-	212,313	-	-
1,245,543	-	-	441,124	-	-	-	-
-	-	-	-	369,742	-	951,119	-
1,245,543	**49,645**	**709,472**	**441,124**	**369,742**	**212,313**	**951,119**	**3,557,076**
$ 1,245,543	**$ 49,645**	**$ 744,545**	**$ 441,124**	**$ 397,130**	**$ 220,412**	**$ 952,825**	**$ 3,557,076**

(Continued)

City of Loveland, Colorado
Combining Balance Sheet
Non-Major Governmental Funds
December 31, 2021

	Total
ASSETS	
Cash	$ 300
Equity in Pooled Cash	9,946,151
Equity in Pooled Investments	12,492,786
Receivables (Net):	
Taxes	709,123
Accounts	51,635
Grants	201,455
Accrued Interest	40,195
Inventory	22,481
Restricted Assets:	
Equity in Pooled Restricted Cash	2,137,087
Total Assets	**25,601,213**
LIABILITIES	
Accounts Payable	317,579
Accrued Liabilities	65,034
Total Liabilities	**382,613**
DEFERRED INFLOWS OF RESOURCES	
Unavailable Revenue	117,872
Deferred Property Taxes	136,940
Total Deferred Inflows of Resources	254,812
Total Liabilities and Deferred Inflows of Resources	**637,425**
Fund Balances:	
Nonspendable	3,579,557
Restricted	18,376,703
Committed	1,686,667
Assigned	1,320,861
Total Fund Balances	**24,963,788**
Total Liabilities and Fund Balances	**$ 25,601,213**

See accompanying independent auditors' report.

City of Loveland, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended December 31, 2021

	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	$ 64,594	$ -	$ -	$ 2,850,149	$ 225,729	$ -
Intergovernmental	-	942,480	1,155,978	33,126	-	524,252
Charges for Services	-	-	-	-	-	-
Investment Earnings (Loss)	(3,175)	(95,095)	-	(132,512)	(69)	31
Miscellaneous	-	319	-	132,331	-	-
Total Revenues	**61,419**	**847,704**	**1,155,978**	**2,883,094**	**225,660**	**524,283**
Expenditures:						
Current:						
City Manager	-	-	1,155,978	-	-	-
Information Technology	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-
Public Works	-	-	-	-	-	524,283
Police	-	-	-	-	-	-
Parks & Recreation	-	238,529	-	1,232,745	-	-
General Government	2,590	-	-	-	51,974	-
Capital Outlay	-	1,168,405	-	1,541,178	-	-
Total Expenditures	**2,590**	**1,406,934**	**1,155,978**	**2,773,923**	**51,974**	**524,283**
Excess (Deficiency) of Revenues Over Expenditures	58,829	(559,230)	-	109,171	173,686	-
Other Financing Sources (Uses):						
Transfers In	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Change in Fund Balance	58,829	(559,230)	-	109,171	173,686	-
Fund Balances--Beginning	**221,344**	**5,825,798**	**-**	**11,106,915**	**491,241**	**-**
Fund Balances--Ending	**$ 280,173**	**$ 5,266,568**	**$ -**	**$ 11,216,086**	**$ 664,927**	**$ -**

See accompanying independent auditors' report.

SPECIAL REVENUE						CAPITAL PROJECTS	PERMANENT FUND
Affordable Housing	Police Seizures & Forfeitures	Lodging Tax	PEG Fee	Fiber Network	Police Training Campus	Parks & Recreation Improvement	Perpetual Care
$ -	$ -	$ 861,068	$ 74,499	$ -	$ -	$ -	$ -
-	-	65,100	-	-	-	1,776	-
-	-	-	-	-	62,514	63,510	134,715
(12,424)	(769)	5,747	(5,934)	(7,017)	835	(9,023)	(60,293)
155,334	-	148,325	-	-	220,000	7,154	-
142,910	**(769)**	**1,080,240**	**68,565**	**(7,017)**	**283,349**	**63,417**	**74,422**
61,726	-	-	-	-	-	-	-
-	-	-	20,292	37,320	-	-	-
-	-	756,748	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	291,036	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	155,133	-
61,726	**-**	**756,748**	**20,292**	**37,320**	**291,036**	**155,133**	**-**
81,184	(769)	323,492	48,273	(44,337)	(7,687)	(91,716)	74,422
400,000	-	-	-	-	220,000	-	-
400,000	-	-	-	-	220,000	-	-
481,184	(769)	323,492	48,273	(44,337)	212,313	(91,716)	74,422
764,359	**50,414**	**385,980**	**392,851**	**414,079**	**-**	**1,042,835**	**3,482,654**
$ 1,245,543	**$ 49,645**	**$ 709,472**	**$ 441,124**	**$ 369,742**	**$ 212,313**	**$ 951,119**	**$ 3,557,076**

(Continued)

City of Loveland, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended December 31, 2021

		Total
Revenues:		
Taxes	$	4,076,039
Intergovernmental		2,722,712
Charges for Services		260,739
Investment Earnings (Loss)		(319,698)
Miscellaneous		663,463
Total Revenues		**7,403,255**
Expenditures:		
Current:		
City Manager		1,217,704
Information Technology		57,612
Economic Development		756,748
Public Works		524,283
Police		291,036
Parks & Recreation		1,471,274
General Government		54,564
Capital Outlay		2,864,716
Total Expenditures		**7,237,937**
Excess (Deficiency) of Revenues Over Expenditures		165,318
Other Financing Sources (Uses):		
Transfers In		620,000
Total Other Financing Sources (Uses)		620,000
Net Change in Fund Balance		785,318
Fund Balances--Beginning		**24,178,470**
Fund Balances--Ending	**$**	**24,963,788**

See accompanying independent auditors' report.

City of Loveland, Colorado
General Improvement District #1
Budgetary Comparison Schedule
For the Year Ended December 31, 2021

	Budgeted Amounts (unaudited)			Difference with Final
	Original	Final	Actual	Budget
Revenues:				
Taxes	$ 50,000	$ 50,000	$ 64,594	$ 14,594
Investment Earnings (Loss)	1,500	1,500	(3,175)	(4,675)
Total Revenues	**51,500**	**51,500**	**61,419**	**9,919**
Expenditures:				
Current:				
General Government	15,300	15,300	2,590	12,710
Total Expenditures	**15,300**	**15,300**	**2,590**	**12,710**
Net Change in Fund Balance	36,200	36,200	58,829	22,629
Fund Balance--Beginning	**221,344**	**221,344**	**221,344**	**-**
Fund Balance--Ending	**$ 257,544**	**$ 257,544**	**$ 280,173**	**$ 22,629**

See accompanying independent auditors' report.

City of Loveland, Colorado
Conservation Trust
Budgetary Comparison Schedule
For the Year Ended December 31, 2021

	Budgeted Amounts (unaudited)			
	Original	Final	Actual	Difference with Final Budget
Revenues:				
Intergovernmental	$ 1,300,000	$ 1,300,000	$ 942,480	$ (357,520)
Investment Earnings (Loss)	50,000	50,000	(95,095)	(145,095)
Miscellaneous	-	-	319	319
Total Revenues	**1,350,000**	**1,350,000**	**847,704**	**(502,296)**
Expenditures:				
Current:				
Parks & Recreation	387,556	441,633	238,529	203,104
Capital Outlay	200,000	4,081,322	1,168,405	2,912,917
Total Expenditures	**587,556**	**4,522,955**	**1,406,934**	**3,116,021**
Net Change in Fund Balance	762,444	(3,172,955)	(559,230)	2,613,725
Fund Balance–Beginning	**5,825,798**	**5,825,798**	**5,825,798**	**-**
Fund Balance–Ending	**$ 6,588,242**	**$ 2,652,843**	**$ 5,266,568**	**$ 2,613,725**

See accompanying independent auditors' report.

City of Loveland, Colorado
Community Development Block Grant
Budgetary Comparison Schedule
For the Year Ended December 31, 2021

	Budgeted Amounts (unaudited)			Difference with Final
	Original	Final	Actual	Budget
Revenues:				
Intergovernmental	$ 382,403	$ 1,815,248	$ 1,155,978	$ (659,270)
Total Revenues	**382,403**	**1,815,248**	**1,155,978**	**(659,270)**
Expenditures:				
Current:				
City Manager	382,403	1,815,248	1,155,978	659,270
Total Expenditures	**382,403**	**1,815,248**	**1,155,978**	**659,270**
Net Change in Fund Balance	-	-	-	-
Fund Balance–Beginning	**-**	**-**	**-**	**-**
Fund Balance–Ending	**$ -**	**$ -**	**$ -**	**$ -**

See accompanying independent auditors' report.

City of Loveland, Colorado
Larimer County Open Space
Budgetary Comparison Schedule
For the Year Ended December 31, 2021

	Budgeted Amounts (unaudited)			Difference with Final
	Original	Final	Actual	Budget
Revenues:				
Taxes	$ 2,200,000	$ 2,200,000	$ 2,850,149	$ 650,149
Intergovernmental	-	-	33,126	33,126
Investment Earnings (Loss)	125,000	125,000	(132,512)	(257,512)
Miscellaneous	100,000	100,000	132,331	32,331
Total Revenues	**2,425,000**	**2,425,000**	**2,883,094**	**458,094**
Expenditures:				
Parks & Recreation	1,442,450	1,561,361	1,232,745	328,616
Capital Outlay	4,342,000	4,732,507	1,541,178	3,191,329
Total Expenditures	**5,784,450**	**6,293,868**	**2,773,923**	**3,519,945**
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,359,450)	(3,868,868)	109,171	3,978,039
Other Financing Sources (Uses):				
Transfers (Out)	(31,500)	(31,500)	-	31,500
Total Other Financing Sources (Uses)	**(31,500)**	**(31,500)**	**-**	**31,500**
Net Change in Fund Balance	(3,390,950)	(3,900,368)	109,171	4,009,539
Fund Balance--Beginning	**11,106,915**	**11,106,915**	**11,106,915**	**-**
Fund Balance--Ending	**$ 7,715,965**	**$ 7,206,547**	**$ 11,216,086**	**$ 4,009,539**

See accompanying independent auditors' report.

City of Loveland, Colorado
Downtown Development Authority
Budgetary Comparison Schedule
For the Year Ended December 31, 2021

	Budgeted Amounts (unaudited)			Difference with Final
	Original	Final	Actual	Budget
Revenues:				
Taxes	$ 125,000	$ 125,000	$ 225,729	$ 100,729
Investment Earnings (Loss)	1,500	1,500	(69)	(1,569)
Total Revenues	**126,500**	**126,500**	**225,660**	**99,160**
Expenditures:				
General Government	175,000	175,000	51,974	123,026
Total Expenditures	**175,000**	**175,000**	**51,974**	**123,026**
Net Change in Fund Balance	(48,500)	(48,500)	173,686	222,186
Fund Balance–Beginning	**491,241**	**491,241**	**491,241**	**-**
Fund Balance–Ending	**$ 442,741**	**$ 442,741**	**$ 664,927**	**$ 222,186**

See accompanying independent auditors' report.

City of Loveland, Colorado
Loveland Larimer Building Authority
Budgetary Comparison Schedule
For the Year Ended December 31, 2021

	Budgeted Amounts (unaudited)			Difference with Final
	Original	Final	Actual	Budget
Revenues:				
Intergovernmental	$ 712,541	$ 696,041	$ 524,252	$ (171,789)
Investment Earnings (Loss)	-	-	31	31
Total Revenues	**712,541**	**696,041**	**524,283**	**(171,758)**
Expenditures:				
Current:				
Public Works	695,041	599,041	524,283	74,758
Parks & Recreation	17,500	17,500	-	17,500
Capital Outlay	-	96,000	-	96,000
Total Expenditures	**712,541**	**712,541**	**524,283**	**188,258**
Net Change in Fund Balance	-	(16,500)	-	16,500
Fund Balance–Beginning	**-**	**-**	**-**	**-**
Fund Balance–Ending	**$ -**	**$ (16,500)**	**$ -**	**$ 16,500**

See accompanying independent auditors' report.

City of Loveland, Colorado
Affordable Housing
Budgetary Comparison Schedule
For the Year Ended December 31, 2021

	Budgeted Amounts (unaudited)			Difference with Final
	Original	Final	Actual	Budget
Revenues:				
Investment Earnings (Loss)	$ -	$ -	$ (12,424)	$ (12,424)
Miscellaneous	-	161,122	155,334	(5,788)
Total Revenues	**-**	**161,122**	**142,910**	**(18,212)**
Expenditures:				
City Manager	526,500	1,423,863	61,726	1,362,137
Total Expenditures	**526,500**	**1,423,863**	**61,726**	**1,362,137**
Excess (Deficiency) of Revenues Over (Under) Expenditures	(526,500)	(1,262,741)	81,184	1,343,925
Other Financing Sources (Uses):				
Transfers In	400,000	843,850	400,000	(443,850)
Total Other Financing Sources (Uses)	**400,000**	**843,850**	**400,000**	**(443,850)**
Net Change in Fund Balance	(126,500)	(418,891)	481,184	900,075
Fund Balance–Beginning	**764,359**	**764,359**	**764,359**	**-**
Fund Balance–Ending	**$ 637,859**	**$ 345,468**	**$ 1,245,543**	**$ 900,075**

See accompanying independent auditors' report.

City of Loveland, Colorado
Police Seizures & Forfeitures
Budgetary Comparison Schedule
For the Year Ended December 31, 2021

	Budgeted Amounts (unaudited)			Difference with Final
	Original	Final	Actual	Budget
Revenues:				
Investment Earnings (Loss)	$ -	$ -	$ (769)	$ (769)
Total Revenues	**-**	**-**	**(769)**	**(769)**
Net Change in Fund Balance	-	-	(769)	(769)
Fund Balance–Beginning	**50,414**	**50,414**	**50,414**	**-**
Fund Balance–Ending	**$ 50,414**	**$ 50,414**	**$ 49,645**	**$ (769)**

See accompanying independent auditors' report.

City of Loveland, Colorado
Lodging Tax
Budgetary Comparison Schedule
For the Year Ended December 31, 2021

	Budgeted Amounts (unaudited)			Difference with Final
	Original	Final	Actual	Budget
Revenues:				
Taxes	$ 700,000	$ 700,000	$ 861,068	$ 161,068
Intergovernmental	-	-	65,100	65,100
Investment Earnings (Loss)	-	-	5,747	5,747
Miscellaneous	63,000	63,000	148,325	85,325
Total Revenues	**763,000**	**763,000**	**1,080,240**	**317,240**
Expenditures:				
Economic Development	747,848	773,848	756,748	17,100
Total Expenditures	**747,848**	**773,848**	**756,748**	**17,100**
Excess (Deficiency) of Revenues Over (Under) Expenditures	15,152	(10,848)	323,492	334,340
Other Financing Sources (Uses):				
Transfers In	-	3,000	-	(3,000)
Transfers (Out)	(5,000)	(5,000)	-	5,000
Total Other Financing Sources (Uses)	**(5,000)**	**(2,000)**	**-**	**2,000**
Net Change in Fund Balance	10,152	(12,848)	323,492	336,340
Fund Balance--Beginning	**385,980**	**385,980**	**385,980**	**-**
Fund Balance--Ending	**$ 396,132**	**$ 373,132**	**$ 709,472**	**$ 336,340**

See accompanying independent auditors' report.

City of Loveland, Colorado
PEG Fee
Budgetary Comparison Schedule
For the Year Ended December 31, 2021

	Budgeted Amounts (unaudited)			
	Original	Final	Actual	Difference with Final Budget
Revenues:				
Taxes	$ 80,000	$ 80,000	$ 74,499	$ (5,501)
Investment Earnings (Loss)	-	-	(5,934)	(5,934)
Total Revenues	**80,000**	**80,000**	**68,565**	**(11,435)**
Expenditures:				
Current:				
Information Technology	50,000	20,292	20,292	-
Capital Outlay:				
Capital Outlay	100,000	129,708	-	129,708
Total Expenditures	**150,000**	**150,000**	**20,292**	**129,708**
Net Change in Fund Balance	(70,000)	(70,000)	48,273	118,273
Fund Balance--Beginning	**392,851**	**392,851**	**392,851**	**-**
Fund Balance--Ending	**$ 322,851**	**$ 322,851**	**$ 441,124**	**$ 118,273**

See accompanying independent auditors' report.

City of Loveland, Colorado
Fiber Network
Budgetary Comparison Schedule
For the Year Ended December 31, 2021

	Budgeted Amounts (unaudited)			Difference with Final
	Original	Final	Actual	Budget
Revenues:				
Investment Earnings (Loss)	$ -	$ -	$ (7,017)	$ (7,017)
Total Revenues	**-**	**-**	**(7,017)**	**(7,017)**
Expenditures:				
Information Technology	125,000	94,500	37,320	57,180
Capital Outlay	25,000	-	-	-
Total Expenditures	**150,000**	**94,500**	**37,320**	**57,180**
Excess (Deficiency) of Revenues Over (Under) Expenditures	(150,000)	(94,500)	(44,337)	50,163
Other Financing Sources (Uses):				
Transfers (Out)	-	(55,500)	-	55,500
Total Other Financing Sources (Uses)	**-**	**(55,500)**	**-**	**55,500**
Net Change in Fund Balance	(150,000)	(150,000)	(44,337)	105,663
Fund Balance–Beginning	**414,079**	**414,079**	**414,079**	**-**
Fund Balance–Ending	**$ 264,079**	**$ 264,079**	**$ 369,742**	**$ 105,663**

See accompanying independent auditors' report.

City of Loveland, Colorado
Police Training Campus
Budgetary Comparison Schedule
For the Year Ended December 31, 2021

	Budgeted Amounts (unaudited)			Difference with Final
	Original	Final	Actual	Budget
Revenues:				
Charges for Services	$ -	$ -	$ 62,514	$ 62,514
Investment Earnings (Loss)	-	-	835	835
Miscellaneous	-	259,000	220,000	(39,000)
Total Revenues	**-**	**259,000**	**283,349**	**24,349**
Expenditures:				
Police	-	418,000	291,036	126,964
Capital Outlay	-	61,000	-	61,000
Total Expenditures	**-**	**479,000**	**291,036**	**187,964**
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(220,000)	(7,687)	212,313
Other Financing Sources (Uses):				
Transfers In	-	220,000	220,000	-
Total Other Financing Sources (Uses)	**-**	**220,000**	**220,000**	**-**
Net Change in Fund Balance	-	-	212,313	212,313
Fund Balance–Beginning	**-**	**-**	**-**	**-**
Fund Balance–Ending	**$ -**	**$ -**	**$ 212,313**	**$ 212,313**

See accompanying independent auditors' report.

City of Loveland, Colorado
Parks & Recreation Improvement
Budgetary Comparison Schedule
For the Year Ended December 31, 2021

	Budgeted Amounts (unaudited)			Difference with Final
	Original	Final	Actual	Budget
Revenues:				
Intergovernmental	$ 1,800	$ 1,800	$ 1,776	$ (24)
Charges for Services	45,500	45,500	63,510	18,010
Investment Earnings (Loss)	8,535	8,535	(9,023)	(17,558)
Miscellaneous	-	-	7,154	7,154
Total Revenues	**55,835**	**55,835**	**63,417**	**7,582**
Expenditures:				
Capital Outlay	100,000	328,701	155,133	173,568
Total Expenditures	**100,000**	**328,701**	**155,133**	**173,568**
Excess (Deficiency) of Revenues Over (Under) Expenditures	(44,165)	(272,866)	(91,716)	181,150
Other Financing Sources (Uses):				
Transfers (Out)	(1,000)	(1,000)	-	1,000
Total Other Financing Sources (Uses)	**(1,000)**	**(1,000)**	**-**	**1,000**
Net Change in Fund Balance	(45,165)	(273,866)	(91,716)	182,150
Fund Balance–Beginning	**1,042,835**	**1,042,835**	**1,042,835**	**-**
Fund Balance–Ending	**$ 997,670**	**$ 768,969**	**$ 951,119**	**$ 182,150**

See accompanying independent auditors' report.

City of Loveland, Colorado
Perpetual Care
Budgetary Comparison Schedule
For the Year Ended December 31, 2021

	Budgeted Amounts (unaudited)			Difference with Final Budget
	Original	Final	Actual	
Revenues:				
Charges for Services	$ 91,000	$ 91,000	$ 134,715	$ 43,715
Investment Earnings (Loss)	33,936	33,936	(60,293)	(94,229)
Total Revenues	**124,936**	**124,936**	**74,422**	**(50,514)**
Net Change in Fund Balance	124,936	124,936	74,422	(50,514)
Fund Balance--Beginning	**3,482,654**	**3,482,654**	**3,482,654**	**-**
Fund Balance--Ending	**$ 3,607,590**	**$ 3,607,590**	**$ 3,557,076**	**$ (50,514)**

See accompanying independent auditors' report.

Proprietary Funds

ENTERPRISE FUNDS

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

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

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

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

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

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

INTERNAL SERVICE

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

The internal service funds are:

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

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

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

City of Loveland, Colorado
Water
Budgetary Comparison Schedule
For the Year Ended December 31, 2021

	Budgeted Amounts (unaudited)			Difference with Final
	Original	Final	Actual	Budget
Revenues:				
Charges for Services	$ 20,017,164	$ 20,017,164	$ 20,128,789	$ 111,625
Cash in Lieu of Water Rights	504,880	504,880	1,630,892	1,126,012
Miscellanous	1,507,936	2,238,244	1,799,970	(438,274)
Investment Earnings	75,117	75,117	(628,249)	(703,366)
System Impact/Development Fees	2,361,358	2,361,358	4,314,651	1,953,293
Raw Water Development Fees	747,896	747,896	1,662,479	914,583
Transfers In	493,722	52,993,722	452	(52,993,270)
Bond Proceeds	105,270	61,130,000	-	(61,130,000)
Aid to Construction	-	2,616,667	566,814	(2,049,853)
Capital Grant Contributions	5	5	25,147	25,142
Total Revenues	**25,813,348**	**142,685,053**	**29,500,945**	**(113,184,108)**
Expenditures:				
Personal Services	5,860,085	5,860,085	5,743,946	116,139
Supplies	1,561,193	3,082,868	1,484,909	1,597,959
Purchased Services	6,378,944	6,448,577	5,213,123	1,235,454
Payment for Services	1,401,200	1,401,200	1,325,254	75,946
Transfers (Out)	1,323,387	54,269,221	346,017	53,923,204
Capital Acquistions	10,896,212	87,055,140	-	87,055,140
Bond Expenses	1,414,617	10,044,617	1,077,600	8,967,017
Total Expenditures	**28,835,638**	**168,161,708**	**15,190,849**	**152,970,859**
Net Change in Fund Balance	**(3,022,290)**	**(25,476,655)**	**14,310,096**	**39,786,751**
Reconciliation to Statement of Revenues, Expenditures and Changes in Fund Net Position:				
Gain on Sale of Capital Asset			40,899	
Contributed Assets			1,082,210	
Depreciation			(4,084,882)	
Loss on Sale of Capital Asset			(4,952)	
Statement Total			$ 11,343,371	

See accompanying independent auditors' report.

City of Loveland, Colorado
Waste Water
Budgetary Comparison Schedule
For the Year Ended December 31, 2021

	Budgeted Amounts (unaudited)			Difference with Final
	Original	Final	Actual	Budget
Revenues:				
Charges for Services	$ 16,114,592	$ 16,114,592	$ 16,186,955	$ 72,363
Miscellanous	53,872	1,391,372	148,223	(1,243,149)
Investment Earnings	16,594	16,594	(30,694)	(47,288)
System Impact/Development Fees	1,443,033	1,443,033	2,593,470	1,150,437
Aid to Construction	300,000	300,000	-	(300,000)
Total Revenues	**17,928,091**	**19,265,591**	**18,897,954**	**(367,637)**
Expenditures:				
Personal Services	4,383,927	4,383,927	4,151,857	232,070
Supplies	945,050	1,003,418	722,927	280,491
Purchased Services	4,622,762	4,845,230	3,442,218	1,403,012
Payment for Services	1,127,380	1,127,380	1,049,794	77,586
Transfers (Out)	64,265	562,126	309,636	252,490
Capital Acquistions	4,020,780	9,098,073	-	9,098,073
Bond Expenses	936,541	936,541	935,292	1,249
Total Expenditures	**16,100,705**	**21,956,695**	**10,611,724**	**11,344,971**
Net Change in Fund Balance	**1,827,386**	**(2,691,104)**	**8,286,230**	**10,977,334**
Reconciliation to Statement of Revenues, Expenditures and Changes in Fund Net Position:				
Gain on Sale of Capital Asset			15,500	
Contributed Assets			653,067	
Depreciation			(3,712,890)	
Statement Total			$ 5,241,907	

See accompanying independent auditors' report.

City of Loveland, Colorado
Stormwater
Budgetary Comparison Schedule
For the Year Ended December 31, 2021

	Budgeted Amounts (unaudited)			Difference with Final
	Original	Final	Actual	Budget
Revenues:				
Charges for Services	$ 8,059,310	$ 8,059,310	$ 8,249,402	$ 190,092
Miscellanous	-	2,500	77,439	74,939
Investment Earnings	134,740	134,740	(240,226)	(374,966)
System Impact/Development Fees	400,730	400,730	417,904	17,174
Transfers In	-	-	400	400
Capital Grant Contributions	-	300,000	-	(300,000)
Total Revenues	**8,594,780**	**8,897,280**	**8,504,919**	**(392,361)**
Expenditures:				
Personal Services	1,896,000	1,896,000	1,628,709	267,291
Supplies	66,936	66,936	42,221	24,715
Purchased Services	1,692,052	2,228,367	858,844	1,369,523
Payment for Services	564,150	564,150	539,680	24,470
Transfers (Out)	27,610	239,466	158,762	80,704
Capital Acquistions	3,722,000	11,157,774	-	11,157,774
Total Expenditures	**7,968,748**	**16,152,693**	**3,228,216**	**12,924,477**
Net Change in Fund Balance	**626,032**	**(7,255,413)**	**5,276,703**	**12,532,116**

Reconciliation to Statement of Revenues, Expenditures and Changes in Fund Net Position:	
Gain on Sale of Capital Asset	84,600
Contributed Assets	1,933,391
Depreciation	(1,424,651)
Loss on Sale of Capital Asset	(2,036,649)
Statement Total	$ 3,833,394

See accompanying independent auditors' report.

City of Loveland, Colorado
Electric & Communications
Budgetary Comparison Schedule
For the Year Ended December 31, 2021

	Budgeted Amounts (unaudited)			Difference with Final
	Original	Final	Actual	Budget
Revenues:				
Charges for Services	$ 74,926,683	$ 74,926,683	$ 76,806,313	$ 1,879,630
Miscellanous	1,238,300	1,238,300	986,810	(251,490)
Investment Earnings	402,093	443,343	(220,065)	(663,408)
System Impact/Development Fees	2,810,720	2,810,720	3,732,854	922,134
Transfers In	802,500	59,675,645	-	(59,675,645)
Aid to Construction	2,020,000	3,520,000	1,868,048	(1,651,952)
Total Revenues	**82,200,296**	**142,614,691**	**83,173,960**	**(59,440,731)**
Expenditures:				
Personal Services	8,406,372	8,181,372	6,703,642	1,477,730
Supplies	633,315	840,262	561,419	278,843
Purchased Services	8,047,874	9,490,723	6,985,897	2,504,826
Purchased Power	44,089,628	46,289,628	46,414,524	(124,896)
Payment for Services	5,244,866	5,244,866	5,265,409	(20,543)
Transfers (Out)	822,210	60,832,329	1,338,764	59,493,565
Capital Acquistions	16,836,899	66,050,693	-	66,050,693
Bond Expenses	3,817,752	4,144,002	3,674,405	469,597
Total Expenditures	**87,898,916**	**201,073,875**	**70,944,060**	**130,129,815**
Net Change in Fund Balance	**(5,698,620)**	**(58,459,184)**	**12,229,900**	**70,689,084**
Reconciliation to Statement of Revenues, Expenditures and Changes in Fund Net Position:				
Gain on Sale of Capital Asset			78,850	
Contributed Assets			220,769	
Depreciation			(7,253,844)	
Loss on Sale of Capital Asset			(26,569)	
Statement Total			$ 5,249,106	

See accompanying independent auditors' report.

City of Loveland, Colorado
Solid Waste
Budgetary Comparison Schedule
For the Year Ended December 31, 2021

	Budgeted Amounts (unaudited)			Difference with Final
	Original	Final	Actual	Budget
Revenues:				
Charges for Services	$ 8,751,993	$ 8,751,993	$ 9,603,233	$ 851,240
Miscellanous	(7,450)	7,550	-	(7,550)
Investment Earnings	60,390	60,390	(102,468)	(162,858)
Transfers In	-	240,000	240,000	-
Capital Grant Contributions	-	-	23,718	23,718
Total Revenues	**8,804,933**	**9,059,933**	**9,764,483**	**704,550**
Expenditures:				
Personal Services	2,831,619	2,831,619	2,860,286	(28,667)
Supplies	305,650	289,554	281,736	7,818
Purchased Services	4,805,231	4,836,327	3,749,472	1,086,855
Payment for Services	602,859	602,859	609,964	(7,105)
Transfers (Out)	-	360,199	288,598	71,601
Capital Acquistions	-	2,106,043	-	2,106,043
Bond Expenses	16,849	16,849	17,876	(1,027)
Total Expenditures	**8,562,208**	**11,043,450**	**7,807,932**	**3,235,518**
Net Change in Fund Balance	**242,725**	**(1,983,517)**	**1,956,551**	**3,940,068**

Reconciliation to Statement of Revenues, Expenditures and Changes in Fund Net Position:	
Gain on Sale of Capital Asset	34,000
Depreciation	(970,931)
Statement Total	$ 1,019,620

See accompanying independent auditors' report.

City of Loveland, Colorado
Golf
Budgetary Comparison Schedule
For the Year Ended December 31, 2021

	Budgeted Amounts (unaudited)			Difference with Final
	Original	Final	Actual	Budget
Revenues:				
Charges for Services	$ 4,123,244	$ 4,123,244	$ 5,293,592	$ 1,170,348
Miscellanous	-	-	546	546
Investment Earnings	70,876	70,876	(88,510)	(159,386)
Capital Grant Contributions	-	-	2,973	2,973
Total Revenues	**4,194,120**	**4,194,120**	**5,208,601**	**1,014,481**
Expenditures:				
Personal Services	2,388,962	2,432,642	2,337,218	95,424
Supplies	622,712	619,712	554,628	65,084
Purchased Services	688,393	696,393	698,714	(2,321)
Transfers (Out)	10,150	10,150	-	10,150
Capital Acquistions	1,015,000	2,340,086	-	2,340,086
Total Expenditures	**4,725,217**	**6,098,983**	**3,590,560**	**2,508,423**
Net Change in Fund Balance	**(531,097)**	**(1,904,863)**	**1,618,041**	**3,522,904**
Reconciliation to Statement of Revenues, Expenditures and Changes in Fund Net Position:				
Gain on Sale of Capital Asset			1,000	
Depreciation			(330,680)	
Statement Total			$ 1,288,361	

See accompanying independent auditors' report.

City of Loveland, Colorado
Combining Statement of Net Position
Internal Service
December 31, 2021

	Fleet Replacement	Fleet Management	Risk & Insurance	Employee Benefits	Totals
ASSETS					
Current Assets:					
Equity in Pooled Cash	$ 1,601,648	$ 821,906	$ 1,199,810	$ 5,246,238	$ 8,869,602
Equity in Pooled Investments	4,561,522	1,142,606	4,235,627	8,997,935	18,937,690
Receivables, Net	18,602	104,040	28,995	73,567	225,204
Accrued Interest	10,696	3,396	9,043	24,795	47,930
Inventory, at Cost	-	592,376	-	-	592,376
Total Current Assets	6,192,468	2,664,324	5,473,475	14,342,535	28,672,802
Noncurrent Assets:					
Interfund Loan Receivable	222,270	-	-	-	222,270
Restricted Assets:					
Equity in Pooled Restricted Cash	-	-	-	320,180	320,180
Total Restricted Assets	-	-	-	320,180	320,180
Property, Plant & Equipment:					
Land	209,516	-	-	-	209,516
Buildings	1,976,509	-	-	-	1,976,509
Equipment	19,503,571	163,404	-	-	19,666,975
Construction in Progress	218,223	-	-	-	218,223
Total Property, Plant & Equipment	21,907,819	163,404	-	-	22,071,223
Accumulated Depreciation	(11,991,836)	(109,781)	-	-	(12,101,617)
Net Property, Plant & Equipment	9,915,983	53,623	-	-	9,969,606
Total Non-Current Assets	10,138,253	53,623	-	320,180	10,512,056
Total Assets	16,330,721	2,717,947	5,473,475	14,662,715	39,184,858
LIABILITIES					
Current Liabilities:					
Accounts Payable	2,805	189,814	993,274	363,602	1,549,495
Accrued Liabilities	-	68,962	17,340	921,586	1,007,888
Total Current Liabilities	2,805	258,776	1,010,614	1,285,188	2,557,383
Compensated Absences	-	140,557	43,745	-	184,302
Total Liabilities	2,805	399,333	1,054,359	1,285,188	2,741,685
NET POSITION					
Net Investment in Capital Assets	9,915,983	53,623	-	-	9,969,606
Restricted	-	-	-	320,180	320,180
Unrestricted	6,411,933	2,264,991	4,419,116	13,057,347	26,153,387
Total Net Position	$ 16,327,916	$ 2,318,614	$ 4,419,116	$ 13,377,527	$ 36,443,173

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, 2021

	Fleet Replacement	Fleet Management	Risk & Insurance	Employee Benefits	Totals
Operating Revenues:					
Charges for Services	$ 3,150,396	$ 5,406,223	$ 3,273,072	$ 14,126,910	$ 25,956,601
Miscellanous	-	22,636	233,095	59,362	315,093
Total Operating Revenues	3,150,396	5,428,859	3,506,167	14,186,272	26,271,694
Operating Expenses:					
Personal Services	-	1,699,142	557,465	996	2,257,603
Supplies	2,345	2,745,567	5,202	53,878	2,806,992
Purchased Services	-	533,624	4,048,025	14,170,286	18,751,935
Depreciation	1,768,256	15,543	-	-	1,783,799
Total Operating Expenses	1,770,601	4,993,876	4,610,692	14,225,160	25,600,329
Net Operating Income (loss)	1,379,795	434,983	(1,104,525)	(38,888)	671,365
Nonoperating Revenues (Expenses):					
Investment Loss	(134,606)	(4,024)	(114,845)	(210,961)	(464,436)
Interest and debt service costs	8,160	-	-	-	8,160
Gain (Loss) on Sale of Capital Assets	139,962	-	-	-	139,962
Total Nonoperating Revenues (Expenses)	13,516	(4,024)	(114,845)	(210,961)	(316,314)
Net Income (Loss) Before Transfers	1,393,311	430,959	(1,219,370)	(249,849)	355,051
Capital Grant Contributions	18,602	-	-	-	18,602
Transfers In	725,030	-	-	-	725,030
Transfers (Out)	(517,403)	-	-	(652,782)	(1,170,185)
Change in Net Position	1,619,540	430,959	(1,219,370)	(902,631)	(71,502)
Total Net Position - Beginning	14,708,376	1,887,655	5,638,486	14,280,158	36,514,675
Total Net Position - Ending	$ 16,327,916	$ 2,318,614	$ 4,419,116	$ 13,377,527	$ 36,443,173

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, 2021

	Fleet Replacement	Fleet Management	Risk & Insurance	Employee Benefits	Totals
Cash Flows from Operating Activities:					
Cash Received from Interfund Services	$ 3,150,396	$ 5,312,570	$ 3,297,353	$ 14,285,545	$ 26,045,864
Cash Payments for Goods and Services	(404,665)	(3,258,263)	(3,539,155)	(14,264,427)	(21,466,510)
Cash Payments to Employees	-	(1,707,490)	(561,866)	-	(2,269,356)
Cash Received from Employees				633,568	633,568
Miscellaneous	-	22,953	233,093	59,362	315,408
Net Cash Provided (Used) by Operating Activities	2,745,731	369,770	(570,575)	714,048	3,258,974
Cash Flows from Non-Capital Financing Activities:					
Transfers In	725,030				725,030
Transfers Out	(517,403)	-	-	(652,782)	(1,170,185)
Net Cash Provided (Used) by Non-capital Financing Activities	207,627	-	-	(652,782)	(445,155)
Cash Flows from Capital and Related Financing Activities:					
Proceeds on Sale of Capital Assets	139,962	-	-	-	139,962
Payments for Capital Acquisition	(2,614,472)	-	-	-	(2,614,472)
Intergovernmental Revenue		53	53		106
Repayments received on Interfund Loan receivables	57,936	-	-	-	57,936
Net Cash Provided (Used) by Capital and Related Financing Activities	(2,416,574)	53	53	-	(2,416,468)
Cash Flows from Investing Activities:					
Purchase of Investments	(1,182,944)	(902,781)	(471,824)	(4,263,226)	(6,820,775)
Proceeds from Sale of Investments	2,182,395	401,798	2,176,206	3,802,927	8,563,326
Investment Earnings	52,596	15,607	45,457	108,909	222,569
Net Cash Flows Provided (Used) by Investing Activities	1,052,047	(485,376)	1,749,839	(351,390)	1,965,120
Net Increase (Decrease) in Cash and Cash Equivalents	1,588,831	(115,553)	1,179,317	(290,124)	2,362,471
Cash and Cash Equivalents - Jan. 1	12,817	937,459	20,493	5,856,542	6,827,311
Cash and Cash Equivalents--Dec. 31	$ 1,601,648	$ 821,906	$ 1,199,810	$ 5,566,418	$ 9,189,782
Reconciliation of Operating Income (Loss) to Net Operating Operating Income (Loss)	$ 1,379,794	$ 434,988	$ (1,104,525)	$ (38,890)	$ 671,367
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation	1,768,256	15,543	-	-	1,783,799
(Increase) Decrease in Accounts Receivable		(93,356)	24,281	158,635	89,560
Increase in Inventory	-	(73,508)	-	-	(73,508)
Increase (Decrease) in Current Liabilities	(402,319)	86,103	509,669	594,303	787,756
Total Adjustments	1,365,937	(65,218)	533,950	752,938	2,587,607
Net Cash Provided (Used) by Operating Activities	$ 2,745,731	$ 369,770	$ (570,575)	$ 714,048	$ 3,258,974
Noncash Investing, Capital and Financing Activities:					
Unrealized Loss on Investments	(178,206)	(18,259)	(151,411)	(293,609)	(641,485)
Reconciliation of cash and cash equivalents to statement of net position:					
Cash and cash equivalents	1,601,648	821,906	1,199,810	5,246,238	8,869,602
Restricted Assets - cash and cash equivalents	-	-	-	320,180	320,180
	$ 1,601,648	$ 821,906	$ 1,199,810	$ 5,566,418	$ 9,189,782

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, 2021

	Budgeted Amounts (unaudited)			Difference with Final
	Original	Final	Actual	Budget
Revenues:				
Charges for Services	$ 3,176,664	$ 3,176,664	$ 3,150,396	$ (26,268)
Miscellanous	-	-	8,160	8,160
Investment Earnings	-	-	(134,606)	(134,606)
Transfers In	60,000	60,000	725,030	665,030
Capital Grant Contributions	329,000	828,000	18,602	(809,398)
Total Revenues	**3,565,664**	**4,064,664**	**3,767,582**	**(297,082)**
Expenditures:				
Supplies	-	-	2,345	(2,345)
Transfers (Out)	-	893,792	517,403	376,389
Capital Acquistions	4,770,391	6,792,535	-	6,792,535
Total Expenditures	**4,770,391**	**7,686,327**	**519,748**	**7,166,579**
Net Change in Fund Balance	**(1,204,727)**	**(3,621,663)**	**3,247,834**	**6,869,497**
Reconciliation to Statement of Revenues, Expenditures and Changes in Fund Net Position:				
Gain on Sale of Capital Asset			139,962	
Depreciation			(1,768,256)	
Statement Total			$ 1,619,540	

See accompanying independent auditors' report.

City of Loveland, Colorado
Fleet Management
Budgetary Comparison Schedule
For the Year Ended December 31, 2021

	Budgeted Amounts (unaudited)			Difference with Final
	Original	Final	Actual	Budget
Revenues:				
Charges for Services	$ 5,712,899	$ 5,712,899	$ 5,405,908	$ (306,991)
Miscellanous	-	-	22,951	22,951
Investment Earnings	-	-	(4,024)	(4,024)
Total Revenues	**5,712,899**	**5,712,899**	**5,424,835**	**(288,064)**
Expenditures:				
Personal Services	1,915,792	1,915,792	1,699,142	216,650
Supplies	2,703,958	2,872,458	2,745,567	126,891
Purchased Services	610,826	623,266	533,624	89,642
Capital Acquistions	-	49,500	-	49,500
Bond Expenses	5,112	5,112	-	5,112
Total Expenditures	**5,235,688**	**5,466,128**	**4,978,333**	**487,795**
Net Change in Fund Balance	**477,211**	**246,771**	**446,502**	**199,731**

Reconciliation to Statement of Revenues, Expenditures and Changes in Fund Net Position:	
Depreciation	(15,543)
Statement Total	$ 430,959

See accompanying independent auditors' report.

City of Loveland, Colorado
Risk & Insurance
Budgetary Comparison Schedule
For the Year Ended December 31, 2021

	Budgeted Amounts (unaudited)			Difference with Final
	Original	Final	Actual	Budget
Revenues:				
Charges for Services	$ 3,225,780	$ 3,273,072	$ 3,273,072	$ -
Miscellanous	88,500	88,500	233,095	144,595
Investment Earnings	55,667	55,667	(114,845)	(170,512)
Total Revenues	**3,369,947**	**3,417,239**	**3,391,322**	**(25,917)**
Expenditures:				
Personal Services	580,300	580,300	557,465	22,835
Supplies	18,696	15,696	5,202	10,494
Purchased Services	3,208,871	3,712,533	4,048,025	(335,492)
Total Expenditures	**3,807,867**	**4,308,529**	**4,610,692**	**(302,163)**
Net Change in Fund Balance	**(437,920)**	**(891,290)**	**(1,219,370)**	**(328,080)**

Reconciliation to Statement of Revenues, Expenditures and Changes in Fund Net Position:	
Statement Total	$ (1,219,370)

See accompanying independent auditors' report.

City of Loveland, Colorado
Employee Benefits
Budgetary Comparison Schedule
For the Year Ended December 31, 2021

	Budgeted Amounts (unaudited)			Difference with Final
	Original	Final	Actual	Budget
Revenues:				
Charges for Services	$ 15,907,389	$ 15,907,389	$ 14,126,910	$ (1,780,479)
Miscellanous	118,000	118,000	59,362	(58,638)
Investment Earnings	104,021	104,021	(210,961)	(314,982)
Total Revenues	**16,129,410**	**16,129,410**	**13,975,311**	**(2,154,099)**
Expenditures:				
Personal Services	8,750	8,750	996	7,754
Supplies	119,800	119,800	53,878	65,922
Purchased Services	15,896,839	15,896,839	14,170,286	1,726,553
Transfers (Out)	652,782	652,782	652,782	-
Total Expenditures	**16,678,171**	**16,678,171**	**14,877,942**	**1,800,229**
Net Change in Fund Balance	**(548,761)**	**(548,761)**	**(902,631)**	**(353,870)**

Reconciliation to Statement of Revenues, Expenditures and Changes in Fund Net Position:	
Statement Total	$ (902,631)

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, 2021

	Budgeted Amounts (unaudited)			Difference with Final
	Original	Final	Actual	Budget
Revenues:				
Special Assessments	$ 635,000	$ 635,000	$ 461,954	$ (173,046)
Interest	5,000	5,000	(1,372)	(6,372)
Miscellaneous	-	-	2,001	2,001
Total Revenues	**640,000**	**640,000**	**462,583**	**(177,417)**
Expenditures:				
General Administration	10,051	10,051	5,417	4,634
Bond Principal	500,000	500,000	430,000	70,000
Bond Interest	108,900	108,900	109,200	(300)
Trustee Fees	1,500	1,500	300	1,200
Total Expenditures	**620,451**	**620,451**	**544,917**	**75,534**
Net Change in Fund Balance	19,549	19,549	(82,334)	(101,883)
Fund Balance–Beginning	**491,345**	**491,345**	**491,345**	**-**
Fund Balance–Ending	**$ 510,894**	**$ 510,894**	**$ 409,011**	**$ (101,883)**

Statistical

This section contains comprehensive statistical data for the City. It is intended to provide a broader and more complete understanding of the City and its financial affairs than is provided by the Basic Financial Statements.

City of Loveland, Colorado
Statistical Section Descriptions

Financial Trends..... 130
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity..... 140
These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.

Debt Capacity..... 143
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information..... 147
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.

Operating Information..... 150
These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to services the City provides and the activities the City performs.

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

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

	2012	2013	2014	2015	2016
Governmental Activities					
Net Investment in Capital Assets	$ 301,942,160	$ 301,651,481	$ 327,486,198	$ 334,471,486	$ 349,269,785
Restricted	29,777,379	27,990,603	25,425,762	23,991,063	19,889,376
Unrestricted	83,391,502	95,320,222	88,271,751	89,140,975	109,138,773
Total Governmental Activities Net Position	**415,111,041**	**424,962,306**	**441,183,711**	**447,603,524**	**478,297,934**
Business-Type Activities					
Net Investment in Capital Assets	372,589,212	380,761,746	398,830,123	412,250,813	439,794,339
Future Capital Improvements	44,869,255	41,854,010	43,987,341	38,346,067	38,620,559
Unrestricted	44,177,057	44,941,194	39,181,529	50,999,539	50,990,044
Total Business-Type Activities Net Position	**461,635,524**	**467,556,950**	**481,998,993**	**501,596,419**	**529,404,942**
Primary government					
Net Investment In Capital Assets	674,531,372	682,413,227	726,316,321	746,722,299	789,064,124
Restricted	74,646,634	69,844,613	69,413,103	62,337,130	58,509,935
Unrestricted	127,568,559	140,261,416	127,453,280	140,140,514	160,128,817
Total Primary Government Net Position	**$ 876,746,565**	**$ 892,519,256**	**$ 923,182,704**	**$ 949,199,943**	**$ 1,007,702,876**

2017	2018	2019	2020	2021
$ 370,968,085	$ 375,178,255	$ 407,352,447	$ 442,641,192	$ 461,306,590
42,204,301	40,657,508	35,401,193	37,872,003	47,053,799
85,659,674	92,826,599	93,934,510	93,096,876	117,255,519
498,832,060	**508,662,362**	**536,688,150**	**573,610,071**	**625,615,908**
463,351,560	487,093,974	512,801,745	540,618,535	568,110,085
44,650,171	53,143,019	49,882,904	55,601,577	49,936,494
48,112,329	44,467,491	53,747,205	55,842,929	61,992,221
556,114,060	**584,704,484**	**616,431,854**	**652,063,041**	**680,038,800**
834,319,645	862,272,229	920,154,192	983,259,727	1,029,416,675
86,854,472	93,800,527	85,284,097	93,473,580	96,990,293
133,772,003	137,294,090	147,681,715	148,939,805	179,247,740
$ 1,054,946,120	**$ 1,093,366,846**	**$ 1,153,120,004**	**$ 1,225,673,112**	**$ 1,305,654,708**

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

	2012	2013	2014	2015
Expenses				
Governmental Activities:				
Legislative	$ 97,103	$ 118,263	$ 162,625	$ 157,812
Executive	2,298,957	2,040,641	1,944,875	2,134,424
City Manager	-	-	-	-
City Attorney	-	-	-	-
City Clerk	-	-	-	-
Municipal Court	-	-	-	-
Finance	3,685,096	1,495,077	1,736,626	1,731,226
Human Resources	929,651	312,209	156,840	249,177
Information Technology	3,101,836	2,951,995	656,388	925,018
Economic Development	1,764,192	2,509,865	3,922,742	5,416,693
Development Services	5,656,043	6,120,833	7,085,388	7,303,464
Public Works	18,940,024	19,132,121	29,259,394	19,659,340
Police	16,806,697	17,753,905	19,092,543	20,122,411
Fire and Rescue	10,481,974	10,110,872	11,267,310	13,127,952
Parks & Recreation	10,206,841	12,989,173	13,139,972	13,433,473
Library	2,701,016	3,267,977	3,465,978	3,513,276
Cultural Services	1,845,305	3,083,926	2,269,629	2,375,343
General Government	18,234,265	20,233,243	21,610,982	24,936,240
Interest on Long-Term Debt	-	-	-	-
Total Governmental Activities Expense	**96,749,000**	**102,120,100**	**115,771,292**	**115,085,849**
Business-Type Activities:				
Water	10,506,013	13,219,134	14,421,083	14,993,052
Wastewater	7,142,390	8,514,371	8,152,372	9,004,724
Stormwater	3,315,186	3,837,057	4,142,323	4,218,805
Electric & Communications	47,438,660	53,828,287	56,745,572	56,935,935
Solid Waste	5,143,011	5,768,080	5,772,448	5,956,930
Golf	3,262,626	3,466,487	3,649,645	3,757,673
Total Business-Type Activities Expenses	**76,807,886**	**88,633,416**	**92,883,443**	**94,867,119**
Total Primary Government Expenses	**173,556,886**	**190,753,516**	**208,654,735**	**209,952,968**
Program Revenues				
Governmental Activities:				
Charges for services:				
Executive	936,190	874,554	960,705	1,093,954
City Manager	-	-	-	-
City Attorney	-	-	-	-
City Clerk	-	-	-	-
Municipal Court	-	-	-	-
Finance	171,616	194,586	220,807	213,550
Human Resources	23	-	26	-
Information Technology	-	-	-	-
Economic Development	35,872	56,049	75,718	80,205
Development Services	1,662,823	1,648,640	2,405,098	2,742,511
Public Works	2,128,714	3,156,866	3,317,741	5,272,211
Police	906,400	1,126,139	1,249,248	1,124,858
Fire	286,551	318,997	416,909	365,378
Parks & Recreation	4,039,590	5,705,461	5,273,998	4,326,854
Library	98,541	85,239	90,717	93,226
Cultural Services	279,291	290,673	366,835	366,894
General Government	5,537,449	5,738,507	5,938,830	6,430,198
Operating grants and contributions	14,626,446	15,501,176	15,144,081	18,170,851
Capital grants and contributions	9,488,471	11,321,276	24,080,916	12,390,432
Total Governmental Activities Revenues	**$ 40,197,977**	**$ 46,018,163**	**$ 59,541,629**	**$ 52,671,122**

Source: City of Loveland Financial Statements

2016	2017	2018	2019	2020	2021
$ 151,146	$ 159,913	$ 187,723	$ 144,975	$ 142,847	$ 150,963
2,199,258	4,216,699	3,376,411	5,380,650	-	-
-	-	-	-	5,027,941	3,121,875
-	-	-	-	1,282,582	1,283,365
-	-	-	-	737,749	592,360
-	-	-	-	680,160	700,112
1,846,402	1,295,259	1,256,557	5,388,175	5,822,026	6,075,509
358,285	420,729	424,206	1,638,690	1,432,526	1,462,259
983,766	556,131	1,831,164	6,401,536	6,892,385	5,953,913
4,046,522	3,090,713	2,551,997	2,597,640	2,914,656	2,065,899
7,391,751	6,509,167	6,737,725	3,981,403	5,701,230	5,590,896
22,454,121	23,931,894	31,567,513	27,180,708	30,043,177	31,960,206
21,508,676	24,783,280	27,082,050	25,312,191	25,999,756	34,907,689
13,968,518	16,365,941	22,272,980	18,193,823	19,287,233	33,800,088
14,149,386	14,103,788	16,364,686	12,040,970	13,456,687	12,691,587
3,598,465	4,123,625	4,272,659	3,385,385	2,920,546	3,504,378
2,522,341	2,600,450	2,942,481	2,089,675	3,731,823	2,363,832
24,003,139	24,815,615	23,571,072	16,784,988	19,008,838	30,301,034
-		-	-	781,283	971,660
119,181,776	**126,973,204**	**144,439,224**	**130,520,809**	**145,863,445**	**177,497,625**
15,666,363	16,075,296	16,308,692	15,666,095	17,668,199	18,914,717
9,078,498	9,679,668	11,304,051	13,085,842	13,747,570	14,014,978
4,342,427	5,850,696	4,927,823	5,055,877	5,689,635	6,530,754
58,211,434	64,494,714	64,180,716	-	71,180,474	76,955,901
6,453,721	6,714,450	7,243,803	7,743,425	7,774,032	8,490,265
4,558,219	3,872,895	3,669,380	3,557,875	3,526,340	3,921,240
98,310,662	**106,687,719**	**107,634,465**	**45,109,114**	**119,586,250**	**128,827,855**
217,492,438	**233,660,923**	**252,073,689**	**175,629,923**	**265,449,695**	**306,325,480**
944,041	1,041,189	1,665,482	1,816,728	-	-
-	-	-	-	90,971	213,974
-	-	-	-	54,551	26,982
-	-	-	-	65,840	87,566
-	-	-	-	1,054,434	831,211
206,081	264,016	243,877	226,958	208,229	251,738
-	-	-	-	1,465	695
-	-	-	-	258,325	179,946
94,072	611,278	156,092	233,795	1,343,115	-
3,058,494	2,567,529	2,768,763	2,141,143	3,273,085	4,882,160
5,803,971	6,506,628	19,218,892	18,093,078	22,514,463	19,368,504
1,263,912	1,444,770	696,939	2,967,706	6,538,486	1,898,764
582,014	4,839,718	7,418,801	3,769,092	2,896,385	15,628,034
5,131,937	4,757,024	4,834,484	5,504,094	3,294,031	4,367,279
92,278	72,431	95,501	50,342	139,437	90,818
418,057	431,274	470,431	616,260	230,858	362,960
7,054,713	7,934,902	77,655	49,046	3,843,246	4,731,782
18,282,481	22,130,784	21,457,236	23,138,462	23,365,634	23,816,808
21,755,995	5,405,297	7,045,733	4,214,800	17,076,354	46,194,664
$ 64,688,046	**$ 58,006,840**	**$ 66,149,886**	**$ 62,821,504**	**$ 86,248,909**	**$ 122,933,885**

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

	2012	2013	2014	2015
Business-type Activities				
Charges for services				
Water	$ 10,119,971	$ 10,100,125	$ 11,637,020	$ 13,252,667
Wastewater	7,259,071	8,122,896	8,658,044	9,523,580
Stormwater	4,032,801	4,124,910	4,539,285	5,113,905
Electric & Communications	50,842,438	54,541,358	56,131,726	57,513,426
Solid Waste	6,003,233	6,040,794	6,242,999	6,506,747
Golf	3,729,636	3,256,450	3,497,796	3,734,006
Capital grants and contributions	6,785,850	11,615,334	17,332,613	16,712,187
Operating grants and contributions	-	-	89,863	288,683
Total Business-Type Activities Revenues	**88,773,000**	**97,801,867**	**108,129,346**	**112,645,201**
Total Primary-Government Revenues	**128,970,977**	**143,820,030**	**167,670,975**	**165,316,323**
Net (Expense) Revenue				
Governmental Activities	(56,551,023)	(56,101,937)	(56,229,663)	(62,414,727)
Business-Type Activities	11,965,114	9,168,451	15,245,903	17,778,082
Total Primary Government Net (Expense)/Revenues	**(44,585,909)**	**(46,933,486)**	**(40,983,760)**	**(44,636,645)**
General Revenues & Other Changes in Net Position				
Governmental Activities				
Taxes				
Property Taxes	18,727,569	18,708,893	18,706,275	18,546,909
Sales and Use Taxes	39,849,259	42,342,445	46,954,355	48,751,148
Franchise Taxes	1,728,289	1,772,839	1,886,816	1,864,925
Other Taxes	998,390	1,175,053	1,390,290	1,415,285
Investment Earnings	1,124,663	(941,945)	1,917,038	1,265,529
Gain on Sale of Assets	23,083	208,383	298,520	569,139
Transfers	4,057,361	2,687,534	1,297,774	(824,365)
Total Governmental Activities	**66,508,614**	**65,953,202**	**72,451,068**	**71,588,570**
Business-Type Activities				
Investment Earnings	958,828	(581,995)	1,500,081	994,979
Gain on Sale of Assets	144,865	22,504	(1,006,167)	-
Transfers	(4,057,361)	(2,687,534)	(1,297,774)	824,365
Total Business-Type Activities	**(2,953,668)**	**(3,247,025)**	**(803,860)**	**1,819,344**
Total Primary Government	**63,554,946**	**62,706,177**	**71,647,208**	**73,407,914**
Change in Net Position				
Governmental Activities	9,957,591	9,851,265	16,221,405	9,173,843
Business-Type Activities	9,011,446	5,921,426	14,442,043	19,597,426
Total Primary Government	**$ 18,969,037**	**$ 15,772,691**	**$ 30,663,448**	**$ 28,771,269**

Source: City of Loveland Financial Statements

2016	2017	2018	2019	2020	2021
$ 15,298,606	$ 16,756,753	$ 18,689,859	$ 18,643,554	$ 22,127,504	$ 23,539,395
10,812,210	11,937,729	13,053,629	13,699,495	14,929,933	16,221,277
5,785,926	6,483,986	7,000,162	7,625,979	8,099,803	8,326,803
60,070,432	63,851,915	66,770,401	68,929,460	70,863,380	77,780,985
6,823,296	7,053,445	8,074,466	8,620,148	(1)	9,626,951
3,796,133	3,825,009	3,821,240	3,860,141	4,387,011	5,297,111
22,466,304	17,720,613	18,763,653	25,349,844	24,821,451	19,014,070
211,522	275,738	333,552	352,474	319,345	273,259
125,264,429	**127,905,188**	**136,506,962**	**147,081,095**	**145,548,426**	**160,079,851**
189,952,475	**185,912,028**	**194,513,802**	**213,230,981**	**208,369,930**	**222,901,355**
(54,493,730)	(60,691,596)	(78,289,338)	(67,699,305)	(59,614,536)	(54,563,740)
26,953,767	21,217,468	28,872,497	33,220,851	34,745,728	31,251,996
(27,539,963)	**(39,474,128)**	**(49,416,841)**	**(34,478,454)**	**(24,868,808)**	**(23,311,744)**
20,904,830	21,680,942	23,899,977	26,678,420	29,121,824	30,849,766
50,527,501	54,481,516	57,372,198	59,077,014	59,647,002	68,632,108
1,800,051	2,018,640	1,860,176	1,837,808	1,669,956	1,720,272
1,210,092	2,198,110	1,940,748	2,170,466	1,746,201	1,824,083
589,669	1,373,292	1,599,707	3,193,518	1,343,775	226,628
170,947	31,522	102,157	153,803	221,161	1,115,795
(308,505)	(558,300)	1,344,677	2,614,064	2,786,538	2,200,925
74,894,585	**81,225,722**	**88,119,640**	**95,725,093**	**96,536,457**	**106,569,577**
546,251	1,005,237	1,359,120	5,273,004	3,431,421	(1,310,212)
-	-	(296,516)	(1,652,421)	240,576	234,900
308,505	558,300	(1,344,677)	(2,614,064)	(2,786,538)	(2,200,925)
854,756	**1,563,537**	**(282,073)**	**1,006,519**	**885,459**	**(3,276,237)**
75,749,341	**82,789,259**	**87,837,567**	**96,731,612**	**97,421,916**	**103,293,340**
20,400,855	20,534,126	9,830,302	28,025,788	36,921,921	52,005,837
27,808,523	22,781,005	28,590,424	34,227,370	35,631,187	27,975,759
$ 48,209,378	**$ 43,315,131**	**$ 38,420,726**	**$ 62,253,158**	**$ 72,553,108**	**$ 79,981,596**

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

	2012	2013	2014	2015
General Fund				
Nonspendable	$ 321,720	$ 16,701	$ 199,045	$ 55,603
Restricted	1,861,860	1,851,741	2,439,462	2,317,041
Committed	13,272,193	11,941,797	18,219,015	24,784,252
Assigned	1,065,056	1,412,714	1,344,179	1,385,845
Unassigned	16,560,028	25,621,810	22,996,438	17,902,106
Total General Fund	**$ 33,080,857**	**$ 40,844,763**	**$ 45,198,139**	**$ 46,444,847**
All Other Governmental Funds				
Nonspendable				
Capital Expansion Fees	4,850,000	4,485,000	2,130,012	-
Transportation	-	-	-	-
Other Governmental Funds	850,368	900,768	957,172	997,132
Restricted				
Loveland Urban Renewal Authority	293,037	264,893	516,443	735,192
Loveland Fire Rescue Authority	290,339	17,397	17,397	17,397
Capital Projects	-	-	-	-
Other Governmental Funds	21,310,055	20,454,105	19,166,231	17,545,105
Committed				
Capital Expansion Fees	34,915,356	33,436,499	25,948,944	33,331,085
Other Governmental Funds	327,551	380,202	389,879	485,775
Assigned				
Capital Projects	202,257	862,472	872,472	1,058,324
Transportation	-	-	-	-
Other Governmental Funds	3,964,896	3,949,823	4,155,436	3,934,819
Unassigned				
Transportation	-	-	-	-
Capital Project Fund	-	-	-	-
Total All Other Governmental Funds	**67,003,859**	**64,751,159**	**54,153,986**	**58,104,829**
Total Governmental Funds	**$ 100,084,716**	**$ 105,595,922**	**$ 99,352,125**	**$ 104,549,676**

Source: City of Loveland Financial Statements

2016	2017	2018	2019	2020	2021
$ 51,685	$ 47,650	$ 43,493	$ 39,212	$ 34,802	$ 30,261
2,906,882	25,715,544	11,988,505	8,185,477	4,883,384	6,395,429
19,097,578	2,494,422	5,597,274	566,558	812,088	825,050
1,155,031	-	-	-	-	-
21,741,419	10,591,362	14,720,142	19,268,245	27,750,485	40,621,338
$ 44,952,595	**$ 38,848,978**	**$ 32,349,414**	**$ 28,059,492**	**$ 33,480,759**	**$ 47,872,078**
-	-	-	-	-	-
-	-	512,180	350,670	532,779	442,351
1,033,093	1,114,935	1,157,959	3,306,565	3,503,234	3,579,557
972,722	1,018,896	296,164	647,652	1,454,625	3,489,306
101,176	2,090,853	8,457,297	6,825,362	7,406,621	14,780,713
-	-	993,921	-	-	-
14,823,817	12,216,423	14,561,785	15,822,662	18,061,112	18,376,703
37,127,980	41,159,739	36,822,062	33,033,106	32,110,116	42,163,277
515,297	717,238	1,369,078	1,535,910	1,157,210	1,686,667
2,331,869	9,801,816	1,250,612	1,514,211	-	-
-	-	-	-	-	-
3,796,447	3,981,477	4,110,607	1,983,210	1,456,914	1,320,861
-	-	(512,180)	(350,670)	(532,779)	(442,351)
-	-	-	-	(1,439,858)	(1,150,884)
60,702,401	**72,101,377**	**69,019,485**	**64,668,678**	**63,709,974**	**84,246,200**
$ 105,654,996	**$ 110,950,355**	**$ 101,368,899**	**$ 92,728,170**	**$ 97,190,733**	**$ 132,118,278**

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

	2012	2013	2014	2015
Revenues				
Taxes	$ 61,102,185	$ 63,791,664	$ 68,523,097	$ 70,117,336
Licenses and Permits	2,013,353	1,951,145	3,073,136	3,076,189
Fines and Penalties	956,357	871,879	966,619	1,123,670
Intergovernmental	19,529,719	18,535,293	21,238,565	22,760,809
Charges for Services	10,443,932	11,413,048	12,175,143	15,535,481
Investment Earnings	1,124,663	(941,945)	1,917,038	1,265,530
Payment in Lieu of Taxes	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	7,341,636	7,795,014	7,635,519	8,219,150
Total Revenues	**102,511,845**	**103,416,098**	**115,529,117**	**122,098,165**
Expenditures				
Current				
Legislative	97,103	118,263	162,625	157,812
Executive	2,239,590	2,042,214	1,962,771	2,122,554
City Manager	-	-	-	-
City Attorney	-	-	-	-
City Clerk	-	-	-	-
Municipal Court	-	-	-	-
Finance	3,720,738	1,451,102	1,717,652	1,683,036
Human Resources	896,637	184,742	277,384	240,311
Information Technology	2,954,763	2,759,834	433,181	639,513
Economic Development	1,770,654	2,502,289	3,910,697	5,413,443
Development Services	2,757,555	3,245,205	4,197,908	4,516,499
Public Works	13,436,298	12,902,846	13,604,425	13,202,521
Public Safety	26,377,802	26,924,617	29,145,238	31,531,587
Parks & Recreation	8,096,184	11,061,496	11,388,857	11,181,335
Library	2,467,633	2,807,092	3,045,902	3,165,964
Cultural Services	1,511,896	1,911,961	2,012,556	2,086,915
General Government	18,697,093	19,328,503	19,635,681	21,035,844
Capital Outlay	12,018,499	15,077,462	32,589,133	18,489,108
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	**97,042,445**	**102,317,626**	**124,084,010**	**115,466,442**
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,469,400	1,098,472	(8,554,893)	6,631,723
Other Financing Sources (Uses)				
Transfers In	11,408,533	14,620,366	24,435,810	14,559,142
Transfers (Out)	(7,351,173)	(11,932,830)	(23,124,647)	(15,993,509)
Debt Issued	-	-	-	-
Insurance Recoveries	-	-	999,933	195
Total Other Financing Sources (Uses)	4,057,360	2,687,536	2,311,096	(1,434,172)
Net Change in Fund Balance	**$ 9,526,760**	**$ 3,786,008**	**$ (6,243,797)**	**$ 5,197,551**
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%

Source: City of Loveland Financial Statements

2016	2017	2018	2019	2020	2021
$ 74,220,077	$ 80,233,216	$ 83,406,784	$ 88,501,636	$ 91,338,747	$ 102,493,932
3,310,912	3,126,113	3,341,235	2,567,487	3,902,767	6,846,962
929,370	972,875	1,263,732	1,203,527	1,003,433	837,820
24,233,341	25,242,347	27,533,890	28,535,074	32,886,093	36,801,684
16,607,925	15,222,965	16,914,492	15,759,460	18,360,470	21,488,758
589,670	1,373,293	1,599,707	3,193,518	1,343,775	226,628
-	-	-	-	8,132,827	8,790,101
-	-	-	-	5,865,552	23,748
9,494,166	12,057,019	12,193,909	15,005,029	6,216,566	5,852,654
129,385,461	**138,227,828**	**146,253,749**	**154,765,731**	**169,050,230**	**183,362,287**
151,146	159,913	187,723	144,975	142,847	150,963
2,211,243	4,036,220	3,322,807	5,456,462	-	-
-	-	-	-	4,990,757	3,101,095
-	-	-	-	1,243,257	1,295,583
-	-	-	-	740,762	584,936
-	-	-	-	676,200	700,449
1,819,888	1,282,258	1,221,190	5,470,110	5,704,161	6,128,394
355,772	445,725	385,130	1,701,545	1,430,180	1,458,268
689,898	316,523	1,536,654	6,288,049	6,554,490	5,643,385
3,387,769	3,017,795	2,500,959	2,573,507	2,900,642	1,998,527
4,412,253	3,623,655	3,811,987	2,886,029	2,802,537	2,771,733
15,141,677	17,706,619	24,291,235	26,385,684	21,196,097	22,309,515
34,010,680	39,579,009	42,909,097	43,310,762	43,598,221	45,701,585
11,121,873	11,563,778	13,223,723	11,183,651	10,303,173	10,658,793
3,271,662	3,762,506	3,918,838	3,252,119	2,855,153	2,947,392
2,230,327	2,540,385	2,727,844	2,160,288	1,848,099	2,112,693
22,972,699	26,689,261	28,239,484	23,454,914	25,399,372	30,133,182
21,079,771	33,036,628	31,906,516	33,060,864	39,644,903	21,927,005
-		274,903	232,449	901,476	4,031,054
-	468,894	823,992	805,920	784,283	971,210
122,856,658	**148,229,169**	**161,282,082**	**168,367,328**	**173,716,610**	**164,625,762**
6,528,803	(10,001,341)	(15,028,333)	(13,601,597)	(4,666,380)	18,736,525
15,877,819	36,008,350	28,794,567	31,368,083	35,839,740	19,160,932
(21,301,301)	(36,611,649)	(27,756,890)	(26,407,215)	(26,710,797)	(16,514,849)
-	15,900,000	4,409,200	-	-	13,544,937
-	-	-	-	-	-
(5,423,482)	15,296,701	5,446,877	4,960,868	9,128,943	16,191,020
$ 1,105,321	**$ 5,295,360**	**$ (9,581,456)**	**$ (8,640,729)**	**$ 4,462,563**	**$ 34,927,545**
0.00%	0.04%	0.86%	0.77%	1.27%	3.63%

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

	2012	2013	2014	2015
Department Stores & General Merchandise	$ 262,471,702	$ 274,109,685	$ 276,744,986	$ 270,693,274
Restaurants & Bars	166,523,116	178,533,598	190,187,912	206,674,358
Grocery Stores & Specialty Foods	112,714,020	121,256,853	129,506,120	142,555,626
Motor Vehicle Dealers, Auto Parts & Leasing	83,463,383	95,764,794	109,598,817	116,334,884
Building Materials, Lawn & Garden Supplies	77,228,038	82,711,176	99,082,447	110,932,445
Electronic Shopping & Mail-Order Houses	16,165,845	15,503,366	22,418,225	19,914,730
Clothing & Clothing Accessories Stores	116,991,988	126,009,320	134,717,972	136,790,016
Utilities	57,002,293	60,644,714	64,182,261	64,709,874
Used Merchandise Stores	39,947,402	43,151,166	51,771,880	55,602,910
Sporting Goods, Hobby, Book & Music Stores	68,359,328	75,542,646	69,872,200	69,652,955
Consumer Goods & Commercial Equipment Rental	20,210,525	25,124,144	26,001,035	32,627,335
Electronics & Appliance Stores	26,948,009	24,348,964	27,081,081	29,156,779
Beer, Wine & Liquor Stores	27,996,287	30,591,921	32,771,682	35,144,018
Health & Personal Care Stores	21,144,770	22,679,821	24,184,828	25,738,812
Hotels, Motels & Other Accommodations	26,954,073	29,259,981	34,803,569	34,947,731
Broadcasting & Telecommunications	45,531,642	44,470,340	49,318,711	45,335,493
Furniture & Home Furnishing Stores	17,707,647	19,203,399	20,615,891	23,029,403
Gasoline Stations with Convenience Stores	9,207,252	10,591,355	13,230,004	14,872,703
Office Supplies, Stationery & Gift Stores	11,890,821	12,390,228	12,985,091	12,061,466
All Other Categories	38,034,238	41,053,877	44,780,482	45,911,423
	$ 1,246,492,379	**$ 1,332,941,348**	**$ 1,433,855,194**	**$ 1,492,686,235**

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

2016	2017	2018	2019	2020	2021
$ 264,384,639	$ 265,609,205	$ 280,312,063	$ 286,929,211	$ 294,881,782	$ 317,428,259
211,408,110	220,605,183	232,407,146	238,987,880	202,326,833	238,074,845
155,842,903	167,949,122	158,424,696	198,525,897	197,191,418	196,410,035
123,159,183	135,160,541	140,963,620	151,870,172	153,298,019	183,983,823
120,164,180	126,548,513	130,413,298	139,493,874	164,591,606	165,939,676
21,210,574	40,735,145	50,647,172	62,055,246	79,564,095	89,749,812
128,678,615	123,988,123	119,278,467	101,732,469	69,251,659	87,690,040
64,911,876	68,015,461	72,404,726	76,500,623	74,685,815	83,380,551
55,576,353	60,689,744	61,665,848	64,653,055	61,865,587	75,311,160
70,118,603	67,073,041	59,177,505	55,521,130	52,813,645	64,700,621
35,674,860	39,782,395	44,573,117	46,715,288	43,062,942	49,112,779
32,363,432	34,357,053	35,936,636	40,876,629	37,934,351	44,458,171
37,378,773	39,021,329	38,449,194	33,937,477	37,270,346	35,780,673
25,362,219	24,950,613	24,642,318	26,693,289	28,979,368	34,072,346
35,576,429	35,964,857	37,776,265	41,025,271	21,580,216	31,598,031
39,859,130	37,607,236	34,838,716	30,987,036	28,766,053	26,173,040
23,765,980	24,961,249	22,090,985	22,833,594	13,110,769	24,260,464
15,149,542	15,435,763	16,466,845	19,198,877	20,833,909	24,155,019
9,599,761	8,016,689	10,376,476	8,333,256	9,424,348	7,586,446
53,390,700	58,821,431	59,624,192	92,211,871	95,991,984	108,395,289
$ 1,523,575,862	**$ 1,595,292,693**	**$ 1,630,469,285**	**$ 1,739,082,145**	**$ 1,687,424,745**	**$ 1,888,261,080**

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

	State	County	City	Centerra Metro District
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%
2021	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 2012			Fiscal Year 2021		
Tax Remitter by Category	**Tax Liability**	**Rank**	**Percentage of Total Tax Collected**	**Tax Liability**	**Rank**	**Percentage of Total Tax Collected**
Department Stores & General Merchandise	$ 7,731,895	1	22.62%	$ 9,291,980	1	17.39%
Restaurants & Bars	4,375,426	2	12.80%	6,663,399	2	12.47%
Grocery Stores & Specialty Foods	3,369,335	3	9.86%	5,859,969	3	10.97%
Building Material & Lawn & Garden Supplies	2,298,628	5	6.72%	5,440,977	4	10.18%
Motor Vehicle Dealers, Auto Parts & Leasing	2,271,768	6	6.64%	4,500,328	5	8.42%
Electronic Shopping & Mail-Order Houses				2,695,006	6	5.04%
Utilities	1,705,517	7	4.99%	2,502,227	7	4.68%
Used Merchandise Stores	1,068,684	10	3.13%	2,126,411	8	3.98%
Clothing & Clothing Accessories Stores	2,524,479	4	7.38%	1,662,541	9	3.11%
Sporting Goods, Hobby, Book & Music Stores	1,726,444	8	5.05%	1,653,400	10	3.09%
Beer, Wine & Liquor Stores						
Broadcasting & Telecommunications	1,334,116	9	3.90%			
Total (Top Ten Principal Remitters only)	**$ 28,406,292**		**83.09%**	**$ 42,396,238**		**74.29%**
Total Sales Tax Collected	**$ 34,187,877**			**$ 53,425,181**		

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

Source: City of Loveland Sales Tax

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

	Governmental Activities					
Fiscal Year	Capital Leases	Certificates of Participation	Oversizing Agreements	IGA for Apparatus	Lease Purchases	Loan Agreement
2012	$ -	$ -	$ 4,552,404	$ -	$ -	$ -
2013	53,132	-	4,452,404	-	-	-
2014	-	-	4,095,285	-	-	-
2015	-	-	3,727,893	-	-	-
2016	-	-	3,584,914	-	-	-
2017	-	15,900,000	2,808,389	-	-	-
2018	4,134,297	15,900,000	2,161,206	-	-	-
2019	3,901,848	15,900,000	1,554,023	961,811	-	-
2020	3,661,054	15,540,000	1,180,149	811,811	-	-
2021	-	15,170,000	911,443	-	12,544,937	1,000,000

	Business-Type Activities					
Fiscal Year	Oversizing Agreements	Water/Waste-water Board Loan	Electic & Communication Loan	Total Primary Government	Percentage of Personal Income	Per Capita
2012	$ -	$ -	$ -	$ 4,552,404	0.17%	66.1
2013	-	100,000	-	4,605,536	0.15%	63.2
2014	-	100,000	-	4,195,285	0.14%	58.3
2015	10,678	10,206,594	-	13,945,165	0.43%	187.6
2016	10,678	13,200,000	-	16,795,592	0.50%	225.7
2017	-	13,150,000	-	31,858,389	0.89%	421.1
2018	48,652	36,880,000	-	59,124,155	1.54%	779.6
2019	109,591	35,575,000	85,015,000	143,017,273	3.42%	1,851.8
2020	118,274	34,225,000	85,015,000	140,551,288	3.27%	1,826.0
2021	143,691	77,575,000	85,015,000	192,360,071	4.43%	2,518.5

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

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

Source:

[a] See Schedule 12 Demographic and Economic Statistics for personal income and population data.

City of Loveland, Colorado
Schedule 9
Direct and Overlapping Governmental Activities Debt
As of December 31, 2021

	Debt Oustanding	Percentage Applicable to Loveland[1]	Loveland's Share of Debt
Governmental Unit			
City of Loveland - Debt Applicable to Debt Limit	$ 29,626,380	100.0%	$ 29,626,380
Thompson R2-J School District	227,799,166	60.0%	136,679,500
Total			**$ 166,305,880**

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 6/30/2021

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

	2012	2013	2014
Debt Limit	207,323,789	212,505,288	215,026,668
Total net debt applicable to limit	-	-	-
Legal debt margin	$ 207,323,789	$ 212,505,288	$ 215,026,668
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 2021

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

2015	2016	2017	2018	2019	2020	2021
252,345,735	258,781,268	315,872,211	322,651,905	378,228,794	383,115,598	415,758,875
-	-	15,900,000	15,900,000	15,900,000	15,540,000	16,170,000
$ 252,345,735	$ 258,781,268	$ 299,972,211	$ 306,751,905	$ 362,328,794	$ 367,575,598	$ 399,588,875
0.00%	0.00%	5.03%	4.93%	4.20%	4.06%	3.89%

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	
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
2021	116,057,060	104,116,535	11,940,525	880,000	4,828,905	5,708,905	2.09

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

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

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

Fiscal Year	Population	Personal Income	County Per Capita Income[2]	Median Age	Unemployment Percentage[1]
2012	68,789	$ 2,735,532,163	$ 39,767	38.7	7.7
2013	69,405	$ 2,867,189,955	$ 41,311	38.1	6.5
2014	70,210	$ 3,009,621,860	$ 42,866	37.7	4.8
2015	72,155	$ 3,144,803,520	$ 43,584	38.4	3.8
2016	73,349	$ 3,324,029,982	$ 45,318	39.1	3.2
2017	73,987	$ 3,486,045,479	$ 47,117	40.1	2.5
2018	74,719	$ 3,776,223,541	$ 50,539	40.2	2.9
2019	75,441	$ 4,087,996,908	$ 54,188	40.2	2.3
2020	75,600	$ 4,224,830,400	$ 55,884	39.9	7.4
2021	83,118	$ 4,724,094,648	$ 56,836	40.0	6.4

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

	2011			2021		
Employer	**Employees**	**Rank**	**% of Total City Employment**	**Employees**	**Rank**	**% of Total City Employment (A)**
Thompson School District R2-J	2,087	1	5.93%	2,113	1	4.15%
Medical Center of the Rockies				1,700	2	3.34%
Wal-Mart Distribution Center	989	2	2.81%	1,273	3	2.50%
City of Loveland	688	4	1.95%	915	4	1.80%
Hach Company				841	5	1.65%
McKee Medical Center	851	3	2.42%	525	6	1.03%
Nutrein/Crop Production Services	350	5	0.99%	500	7	0.98%
LPR Construction	-			447	8	0.88%
Good Samaritan Society-Loveland	-			235	9	0.46%
The Eye Laser Center of Northern CO	-			200	10	0.39%
Pinnacle Agriculture Holdings LLC	-					
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%**	**8,749**		**17.19%**
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	2012	2013	2014	2015	2016[1]	2017	2018	2019	2020[2]	2021
Executive & Legal	14	18	12	12	18	21	24	24	-	-
City Manager	-	-	-	-	-	-	-	-	9	9
City Attorney	-	-	-	-	-	-	-	-	9	8
City Clerk	-	-	7	7	4	4	5	5	5	5
Community & Business Relations	1	1	1	1	1	1	1	1	1	1
Economic Development	5	6	8	8	7	8	8	8	8	8
Finance	47	45	45	45	45	48	51	51	51	56
Development Services	24	24	25	28	30	28	29	29	27	27
Municipal Court	-	-	-	-	-	-	-	-	5	7
Public Works	89	92	93	95	96	103	105	105	106	106
Police	134	136	140	144	151	159	161	161	171	171
Fire	66	73	81	83	84	92	92	92	108	108
Parks & Recreation	64	66	65	66	67	68	70	69	72	73
Library	30	31	31	32	32	32	32	33	32	32
Cultural Services	12	13	13	13	13	13	14	14	15	15
Human Resources	13	13	13	14	13	13	14	14	14	15
Information Technology	21	21	21	23	23	23	23	23	22	24
Golf - Parks & Recreation	14	13	13	13	14	14	14	14	14	14
Water & Power	115	115	121	129	132	136	143	145	179	181
Solid Waste - Public Works	28	28	28	28	28	29	30	30	31	31
Stormwater - Public Works	15	15	15	15	14	15	17	17	17	16
Total	692	710	732	756	772	807	833	835	896	907

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

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

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

2016	2017	2018	2019	2020	2021
2,624	2,581	2,757	2,356	3,210	3,420
28,787	26,267	25,242	28,535	26,720	35,724
2,825	3,029	2,964	3,099	2,853	3,050
552	641	799	829	302	315
1,857	1,826	2,333	1,957	1,879	2,280
7,775	9,799	12,524	13,654	10,461	7,279
7,915	8,393	8,452	8,846	9,002	9,885
136[3]	167	164	164	179	157
416	287	429	518	108[4]	111[4]
98	99	104	99	101	106
28	27	27	26	26	25
39	39	39	38	38	38
17	10	25	27	29	32
5,653	3,258	4,015	5,824	4,308	5,746
16,928	17,564	14,086	13,030	8,410	18,238
464,059	445,713	442,679	464,562	162,218	224,204
118,348	117,494	109,560	106,016	123,275	139,321
152,993	134595[2]	127,786	124,000	124,444	117,194
537,219	49,386	65,885	85,150	37,359[5]	136,185[5]
403	370	286	270	425	516
88	48	56	45	39	47
10,613	10,160	10,707	9,926	10,777	10,502
27,300	27,426	27,698	24,813	26,788	27,027
6,530	6,158	5,970	5,933	5,934	6,269
731,596	724,614	741,955	724,032	711,481	733,085
238,217	236,905	279,970	305,415	289,701	319,506
116,964	105,917	104,144	118,236	74,213	79,827

See the source of data on the following page.

Footnotes for Schedule 15 (continued)

Statistical Operating Indicators by Function/Program
Last Ten Fiscal Years

Continued from previous page

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

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

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

Source: City of Loveland Departments

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

	2012	2013	2014	2015	2016
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]	24[5]	22[5]	24[5]	24
Other Public Works					
Highways (miles)[1]	25	25	24	24	24
Streets (miles)[1]	329	331	340	340	343
Traffic Signals	94	94	94	94	94
Parks and Recreation					
Acreage - Developed Park	388	388	388	438	438
Playgrounds	27	27	27	28[3]	28
Splash Parks	2	2	2	2	2[4]
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)	436	437	442	451	456
Fire Hydrants	2,870	2,899	2,961	3,017	3,103
Storage Capacity (thousands of gallons)	20,300	20,300	20,300	20,300	20,300
Wastewater					
Sanitary Sewers (miles)	334	336	341	342	348
Treatment Capacity (thousands of gallons)	10,000	10,000	10,000	10,000	10,000
Power					
Overhead Conductors (miles)	304	297	299	298	297
Underground Conductors (miles)	1,014	1,028	1,062	1,084	1,097
Streetlights	5,872	5,879	6,040	6,055	6,188
Transit					
Fixed Route[2]	5	6	6	6	7
Paratransit[2]	5	4	4	4	2

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

2017	2018	2019	2020	2021
1	1	1	1	1
12	12	12	12	12
6	6	6	7	7
22	22	22	22	22
24	24	119	131	154
343	313	229	239	273
97	95	95	96	96
438	453	453	453	453
28	28	28	28	28
2	2	2	2	2
30	30	30	30	30
38	38	39	39	39
1	1	1	1	1
459	463	483	469	473
3,134	3,171	3,295	3,247	3,289
20,300	20,560	20,560	20,560	26,060
350	353	373	359	363
10,000	10,000	10,000	10,000	10,000
289	287	283	282	280
1,121	1,122	1,135	1,137	1,189
6,237	6,435	6,454	6,716	6,895
6	9	9	9	8
3	3	3	3	3

Schedule 17
CITY OF LOVELAND, COLORADO
Schedule of Terms

A

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

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

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

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

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

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

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, solid waste, stormwater, and power & communications. Through the TABOR amendment, these funds cannot have more than 10% of their budget subsidized by taxes. This term is interchangeable with Proprietary Fund.

EPA: Environmental Protection Agency

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

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

F

FDIC: Federal Deposit Insurance Corporation.

FEMA: Federal Emergency Management Agency.

FHWA: Federal Highway Administration.

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

FIFO: First In First Out inventory valuation method.

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

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

FLSA: Fair Labor Standards Act.

FPPA: An abbreviation for Fire and Police Pension Association.

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

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

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

G

GAAP: Generally Accepted Accounting Principles.

GASB: Governmental Accounting Standards Board.

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

GFOA: Government Finance Officers Association.

GID: General Improvement District #1.

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

H

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

HUTF: Highway User Tax Funds.

I

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

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

ICMA: International City/Country Management Association

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

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

J-L

LFRA: Loveland Fire Rescue Authority

LLBA: Loveland/Larimer Building Authority

LLC: Limited Liability Company

LP: Limited Partnership

LURA: Loveland Urban Renewal Authority

M

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

MFA: An abbreviation for Master Financing Agreement.

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

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

N

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

NCLETC: Northern Colorado Law Enforcement Training Center.

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

NRSRO: Nationally recognized statistical rating organizations.

O-P

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

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

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.

plante moran

Plante & Moran, PLLC
1098 Woodward Avenue
Detroit, MI 48226-1906
Tel: 313.496.7200
Fax: 313.496.7201
plantemoran.com

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 City of Loveland, Colorado (the "City") as of and for the year ended December 31, 2021 and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 3, 2022.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as Findings 2021-001 and 2021-002, that we consider to be material weaknesses.

Report on Compliance and Other Matters

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

The City's Responses to the Findings

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

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

Purpose of This Report

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

Plante & Moran, PLLC

June 3, 2022

plante moran

Plante & Moran, PLLC
1098 Woodward Avenue
Detroit, MI 48226-1906
Tel: 313.496.7200
Fax: 313.496.7201
plantemoran.com

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

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Loveland, Colorado's (the "City") compliance with the types of compliance requirements identified as subject to audit in the 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, 2021. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of the major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

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Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Plante & Moran, PLLC

June 3, 2022

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2021

Federal Agency/Pass-through Agency/Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
U.S. Department of Housing and Urban Development				
Direct - CDBG - Entitlement Grants Cluster -				
CDBG - Entitlement Grants Cluster:				
Community Development Block Grants/Entitlement Grants	14.218	N/A	$ 293,504	$ 369,434
COVID-19 - Community Development Block Grants/Entitlement Grants	14.218	N/A	207,126	214,450
Total U.S. Department of Housing and Urban Development			500,630	583,884
U.S. Department of Transportation				
Direct:				
Airport Improvement Program	20.106	N/A	-	3,234,046
COVID-19 - Airport Improvement Program	20.106	N/A	-	1,006,071
			-	4,240,117
Passed through Colorado Department of Transportation -				
Highway Planning and Construction Cluster - Highway Planning and Construction	20.205	BRO M830-091 20895 STU M830-094 21998 SHO M830-062 19060 AQC M830-086 20617 18-HA4-XC-00055 SRTS M830-095 22095 20-HA4-XC-00052 87-HA4-XC-03177 19-HA4-XC-00026	-	1,749,607
Highway Safety Cluster:				
State and Community Highway Safety	20.600	21-01-23	-	75,460
State and Community Highway Safety	20.600	411046570	-	6,856
Total Highway Safety Cluster			-	82,316
Total U.S. Department of Transportation			-	1,831,923
U.S. Department of Homeland Security				
Passed through Colorado Division of Criminal Justice -				
Emergency Management Performance Grant	97.042	19EM-20-70, 21EM-22-66	-	41,250
Federal Transit Authority				
Direct - Federal Transit Cluster:				
Federal Transit Formula Grants	20.507	CO-2020-027-00	$ -	$ 57,996
COVID-19 - Federal Transit Formula Grants	20.507	CO-2020-022-00	-	636,327
Federal Transit Formula Grants	20.507	CO-2768-2021-4	-	69,557
Large Urban Formula	20.507	CO-2021-018-00	-	587,417
Total Federal Transit Cluster				1,351,297
U.S. Department of the Treasury				
Passed through Colorado Department of Local Affairs - COVID-19 - Coronavirus Relief Funds	21.019	CVRF CM-031	88,763	505,534
Passed through Colorado Department of Local Affairs/Larimer County:				
COVID-19 - Coronavirus Relief Funds	21.019	LIBDELIVER	-	1,792
COVID-19 - American Rescue Plan Act (ARPA) - Coronavirus State & Local Fiscal Recovery Funds	21.027	SLT-1797	63,208	716,105
Total U.S. Department of the Treasury			151,971.00	1,223,431
U.S. Small Business Administration				
Direct - COVID-19 - Shuttered Venue Operators Grant with Supplemental Relief	59.075	SBAHQ21SV012498	-	20,487
Total federal awards			**$ 652,601**	**$ 9,292,389**

See notes to schedule of expenditures of federal awards.

Notes to Schedule of Expenditures of Federal Awards

Year Ended December 31, 2021

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of City of Loveland, Colorado (the "City") under programs of the federal government for the year ended December 31, 2021. 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 ALN 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 the Treasury's guidance and frequently asked questions, as outlined in the 2021 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, 2021

Section I - Summary of Auditor's Results

Financial Statements

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

Federal Awards

Internal control over major programs:			
• Material weakness(es) identified?	____ Yes	X No	
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	____ Yes	X None reported	
Type of auditor's report issued on compliance for major programs:	Unmodified		
Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)?	____ Yes	X No	

Identification of major programs:

Assistance Listing Number	Name of Federal Program or Cluster
20.106	Airport Improvement Program
20.205	Highway Planning and Construction Cluster
20.507, 20.526	Federal Transit Cluster

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

Schedule of Findings and Questioned Costs (Continued)

Year Ended December 31, 2021

Section II - Financial Statement Audit Findings

Reference Number	Finding
2021-001	**Finding Type -** Material weakness **Criteria -** 2 CFR 200.508(b) outlines the auditee responsibilities to prepare appropriate financial statements, including the schedule of expenditures of federal awards (SEFA), in accordance with section 200.510, *Financial Statements*. **Condition -** The City did not have sufficient controls in place to ensure that the schedule of expenditures of federal awards was prepared correctly. **Context -** The schedule of expenditures of federal awards required changes of approximately $1,064,000 in order to remove prior year expenses and local matches of nonfederal funds. The revisions made to the SEFA did not impact major program determination. **Cause -** The City included nonfederal expenditures, such as local matching funds, in the schedule of expenditures of federal awards. **Effect -** Revisions to the schedule of expenditures of federal awards were required to ensure that reported expenditures were accurate. As a result, the City did not comply with 2 CFR 200.508(b). The revisions made to the SEFA did not impact major program determination. **Recommendation -** We recommend that the City implement sufficient processes and controls to ensure that the schedule of expenditures of federal awards agrees to the underlying records of federal expenditures incurred. **Views of Responsible Officials and Planned Corrective Actions -** Annual review on any new or outstanding grants and ensuring proper grant matching expenditures for federal funds will be implemented.

Schedule of Findings and Questioned Costs (Continued)

Year Ended December 31, 2021

Section II - Financial Statement Audit Findings (Continued)

Reference Number	Finding
2021-002	**Finding Type -** Material weakness **Criteria -** The City should have a process in place to ensure all year-end journal entries are properly recorded in accordance with generally accepted accounting principles (GAAP) prior to the commencement of the audit. **Condition -** A year-end journal entry necessary to state the financial statements in accordance with GAAP was identified as part of the audit. **Context -** An adjustment of approximately $4.2 million to recognized federal grant revenue and expenditures related to the Northern Colorado Regional Airport (NCRA) was necessary in order to ensure the financial statements were stated in accordance with GAAP. **Cause -** The City is deemed to be a sponsor for NCRA grant activity and did not consider the financial reporting impacts of NCRA federal funding in the current year. **Effect -** If the year-end journal entry identified above had not been recorded, the financial statements would have been materially misstated. **Recommendation -** The City should develop a process to identify federal funding to outside entities for which the City is a sponsor and record such funding as revenue and expenditures in the City's financial statements. **Views of Responsible Officials and Planned Corrective Actions -** As part of the City's year-end entries recording grant expenditures, the airport current year grant activity will be recorded in the General Fund and reviewed by the accounting manager.

Section III - Federal Program Audit Findings

Reference Number	Finding	Questioned Costs
Current Year	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

CORRECTIVE ACTION PLAN
For the Year Ended December 31,2021

Finding 2021-001: Material weakness, the City did not have sufficient controls in place to ensure that the schedule of expenditures of federal awards was prepared correctly.

Personnel Responsible for Corrective Action: Grant Accountant and Accounting Manager

Anticipated Completion Date: June 30, 2022

Corrective Action Plan: Annual review on any new or outstanding grants and ensuring proper grant matching expenditures for federal funds will be implemented.

Finding 2021-002: Material weakness, the City had to prepare an adjustment to record the Airport's federal grants as a sponsor for those grants.

Personnel Responsible for Corrective Action: Grant Accountant and Accounting Manager

Anticipated Completion Date: June 30, 2022

Corrective Action Plan: As part of the City's year-end entries recording grant expenditures the Airport current year grant activity will be recorded in the General Fund and reviewed by the Accounting Manager.

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 2021

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	0
3. Other local imposts (from page 2)	2,802,937
4. Miscellaneous local receipts (from page 2)	4,355,010
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)	7,157,947
B. Private Contributions	31,054,209
C. Receipts from State government (from page 2)	3,484,732
D. Receipts from Federal Government (from page 2)	4,081,760
E. Total receipts (A.7 + B + C + D)	45,778,648

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	12,124,380
2. Maintenance:	3,970,597
3. Road and street services:	
a. Traffic control operations	1,918,401
b. Snow and ice removal	565,506
c. Other	
d. Total (a. through c.)	2,483,907
4. General administration & miscellaneous	1,808,813
5. Highway law enforcement and safety	11,383,764
6. Total (1 through 5)	31,771,461
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)	31,771,461

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
	45,778,648	31,771,461	14,007,187	0

Notes and Comments:

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LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): December 2021

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	977
b. Other local imposts:		b. Traffic Fines & Penalities	688,398
1. Sales Taxes		c. Parking Garage Fees	83,019
2. Infrastructure & Impact Fees	1,248,504	d. Parking Meter Fees	0
3. Liens		e. Sale of Surplus Property	0
4. Licenses	10,100	f. Charges for Services	3,547,565
5. Specific Ownership &/or Other	1,544,333	g. Other Misc. Receipts	1,266
6. Total (1. through 5.)	2,802,937	h. Other	33,785
c. Total (a. + b.)	2,802,937	i. Total (a. through h.)	4,355,010
	(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	2,880,019	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	294,213	d. Federal Transit Admin	2,937,261
d. Other - MMOF	292,500	e. U.S. Corps of Engineers	
e. Other - Co Energy Office	18,000	f. Other Federal - US DOT	1,144,499
f. Total (a. through e.)	604,713	g. Total (a. through f.)	4,081,760
4. Total (1. + 2. + 3.f)	3,484,732	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	22,405	5,634	28,039
b. Engineering Costs	84,192	503,419	587,611
c. Construction:			
(1). New Facilities	0	324,721	324,721
(2). Capacity Improvements	1,909,054	120,000	2,029,054
(3). System Preservation	0	8,237,202	8,237,202
(4). System Enhancement & Operation	2,038	915,715	917,753
(5). Total Construction (1) + (2) + (3) + (4)	1,911,092	9,597,638	11,508,730
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	2,017,689	10,106,691	12,124,380
			(Carry forward to page 1)

Notes and Comments:

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