ANNUAL COMPREHENSIVE FINANCIAL REPORT

City of Loveland

City of Loveland, CO
For the Year
December 31, 2025




City of Loveland, Colorado

Annual Comprehensive Financial Report

For the fiscal year ended
December 31, 2025

Submitted by
City Manager - James Thompson
Chief Financial Officer - Brian Waldes

Prepared by the Finance Department

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Tamara Hansen, Accounting Technician
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Introduction

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City of Loveland

Finance Department
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June 29, 2026

Honorable Mayor, Members of the City Council, and the City of Loveland Community;

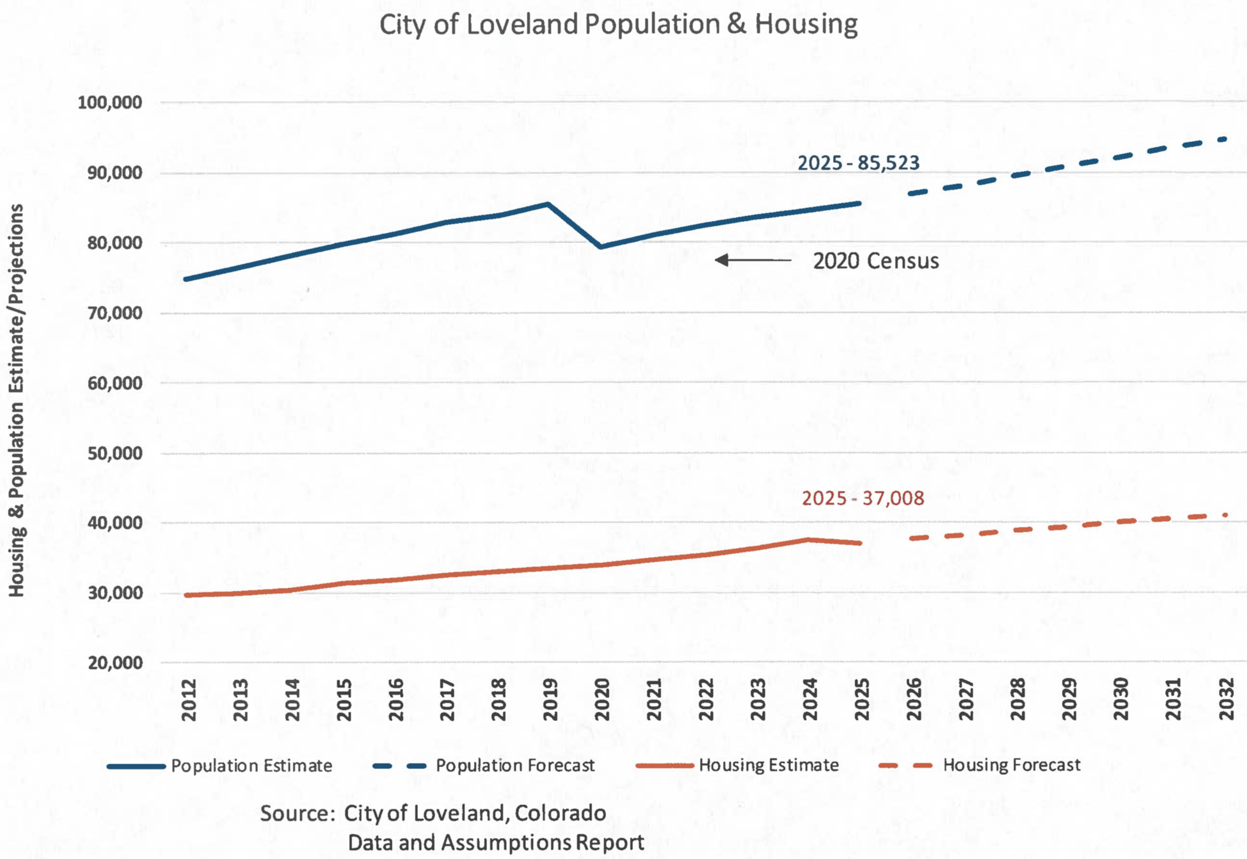
We are pleased to present the Annual Comprehensive Financial Report for the year ended December 31, 2025. State law requires that every general-purpose local government publish, within six months of the fiscal year end (the fiscal year is the calendar year by Charter), a complete set of audited financial 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 and to provide the City Council, residents, and other readers with transparent information regarding the City's financial position and results of operations.

As representatives of City management, we assume full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls 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 material misstatement.

Baker Tilly US, LLP, Certified Public Accountants, has issued an unmodified opinion ("clean opinion") on the City of Loveland's financial statements for the year ended December 31, 2025. The Independent Auditors' Report is located behind the "Section 2: Financial" tab of this report. The Management Discussion and Analysis (MD&A) immediately follows the Independent Auditors' Report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The City of Loveland, incorporated in 1881, is located approximately 50 miles north of Denver, directly east of the Big Thompson River's emergence from the Front Range of the Rocky Mountains. Situated in southeastern Larimer County, the city limits encompass 37.45 square miles and an estimated current population of 85,523, representing approximately 37,008 households.



The City operates as a home rule city and as a council-manager form of government under the provisions of a City Charter and local ordinances. City Council is composed of nine members. The City is divided into four representative wards, with two council members from each ward serving staggered four-year terms. The Mayor is elected at large for a two-year term and presides over City Council meetings and has an equal vote to other Council members on actions taken by the Council.

The City of Loveland is a full-service organization providing electric power, solid waste and recycling, municipal fiber, water, wastewater, golf, stormwater, police, library, cultural services (museum, theater, and Art in Public Places), parks and recreation, trails/open lands, cemetery, transportation maintenance and construction, transit (COLT), development services, and a variety of support services. The Loveland Fire Rescue Authority provides services to the City and the surrounding rural district. The City jointly operates and maintains the Northern Colorado Regional Airport with the City of Fort Collins, Colorado. A separate report is issued for the Airport which includes federal grant compliance and passenger facility charge reporting. All governing and reporting relationships are disclosed in the notes to the financial statements.

The City's budget is required to be submitted to City Council by the first Tuesday of October each year, unless City Council sets an alternate date. The budget must include proposed capital improvements for the budget year plus an additional four years and 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 local government uniform accounting laws. A public hearing is required along with two readings of the applicable budget ordinances. The budget is adopted by a majority "yes" vote by a quorum of City Council members present at each meeting. On second reading, a majority of all nine Council members must vote to approve the proposed budget. This approval sets 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. Departments currently have the flexibility, with appropriate approvals, to move money between divisions within the same accounting fund. However, any funding moved between accounting funds requires a supplemental appropriation, public hearing and two readings of the ordinance by City Council.

Local Economy

Major employers and industries in the City include the school district, health care, food manufacturing, retail, advanced manufacturing, agriculture, and distribution. There are two hospital facilities and several substantial medical office facilities. Economic data sources indicate that the information technology and health care sectors are growing more rapidly than many other sectors of the economy. Northern Colorado continues to grow faster than many other parts of the state although Colorado has experienced a substantial slowdown in its overall growth rate.

According to Colorado Department of Labor and Employment data, the local unemployment rate for the Fort Collins-Loveland metropolitan statistical area at the end of 2025 was 3.9%. The area compared favorably to the state of Colorado rate of 4.0%.

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 continued investment in infrastructure. Completion of the Heart Improvement Project, which is expected to create a significantly improved pedestrian experience and better walkability for the historic downtown area is anticipated in mid-2026. City efforts continue to position Loveland as a competitive Northern Colorado community for attracting new businesses, and the City continues to market itself to potential businesses and employers both in the region and throughout the nation.

Long-Term Financial Planning

The City of Loveland prepares a five-year Financial Master Plan and Capital Improvement Plan, which are closely connected through the operational impacts of proposed capital projects. Both plans are dynamic documents and are updated at least annually. The City's target is to meet anticipated expenditure obligations and reserve targets, helping ensure resources are available to meet the first five years of the proposed plan's identified project needs.

The 2026 Financial Master Plan reflects modest growth assumptions for key revenues areas, continued caution in revenue forecasting, and the ongoing financial impact of the removal of food for home consumption from the City's sales tax base. Operational budgets were thoroughly reviewed and adjusted as part of the 2026 Budget Planning Process and will continue to be closely monitored moving forward. For 2026, significantly fewer decision packages were recommended compared to prior years, reflecting the City Manager's prioritization philosophy: first, support existing staff; second, maintain existing infrastructure; and last, consider adding additional staff, service areas, or capital projects.

The City faces a large financial challenge in our General Fund. In the long term, we will not be able to sustain current service levels and responsibly maintain City infrastructure, including roads, bridges, and buildings, without a substantial change in either funding or service levels. We plan to continue our transparency and communication efforts with our community throughout 2026 to convey the situation and choices that confront our City.

Major Initiatives

In early 2025, the City began much anticipated improvements related to the Heart Improvement Plan (HIP) in the historic core of downtown Loveland. Improvements include major street and streetscape improvements, pedestrian enhancements, and utility upgrades. Construction of Chimney Hollow Reservoir continued in 2025. When completed and filled, the reservoir will hold 90,000 acre-feet of water, with the City's share totaling 10,000 acre-feet of storage. Filling of the reservoir is expected to begin in 2026.

Several major capital projects were completed or substantially advanced in 2025, including the US 34 Denver Avenue to Boyd Lake Avenue Widening project for $8.1 million, the 3.5 million gallon water storage tank on 43rd Street for $12.0 million, the renovation of the historic Pulliam Building for $9.5 million and the deployment of the Power Advanced Metering Infrastructure (AMI) system for $7.5 million.

Awards and Acknowledgments

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Loveland, Colorado for its Annual Comprehensive Financial Report for the year ended December 31, 2024. This was the 45th consecutive year that the City has received this prestigious award. 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, 2024. This was the eleventh consecutive year that the City has received this prestigious award. 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.

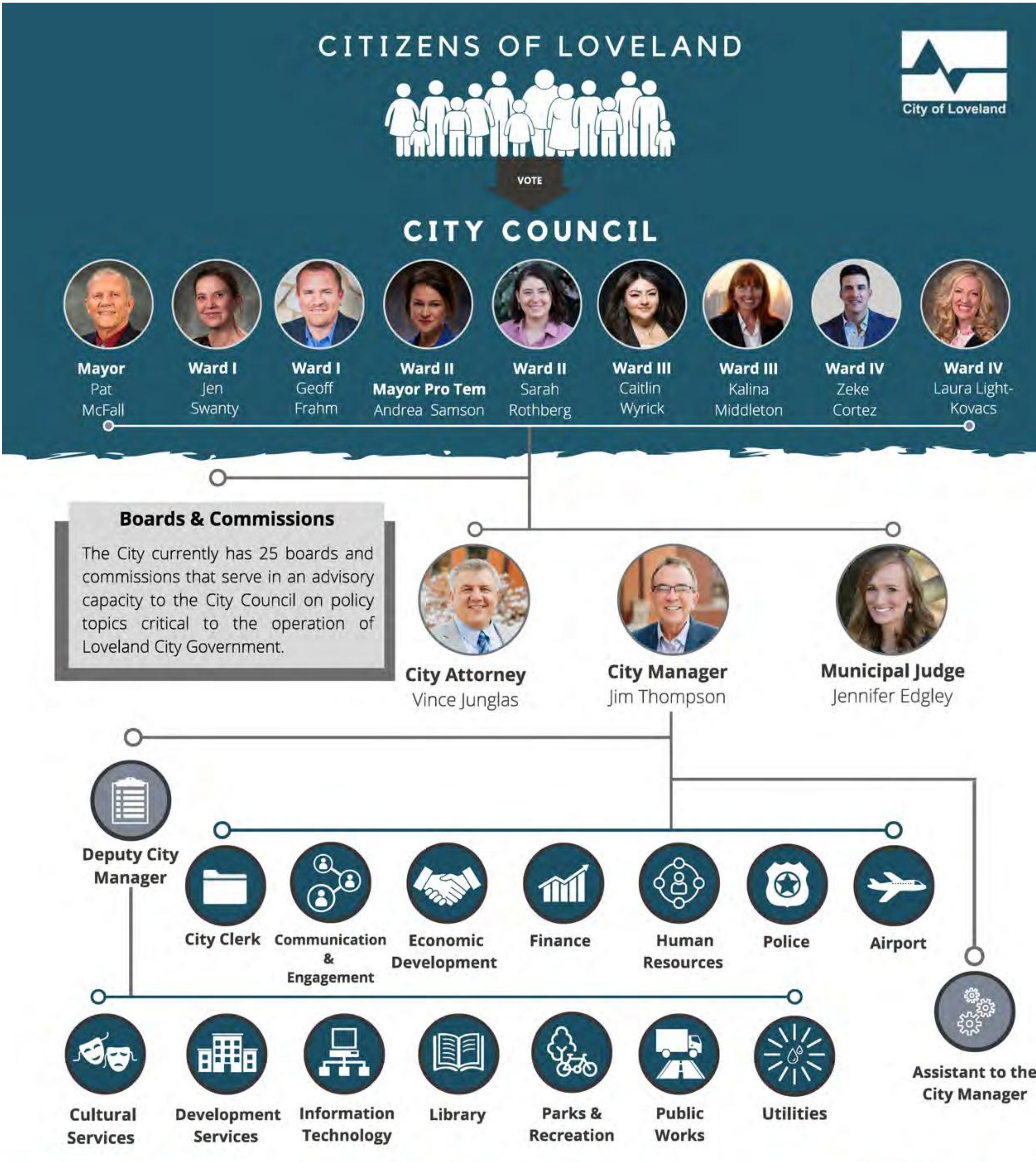
In addition, the City received the GFOA's Distinguished Budget Presentation Award for its annual budget document for 2026. This was the 43rd consecutive year that the City has received the budget presentation award. To qualify for the Distinguished Budget Presentation Award, the City's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

Preparation of an Annual Comprehensive Financial Report is a complex task 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 requires professionalism and dedication. The City is fortunate to have a talented accounting staff willing to undertake these efforts year after year. The City expresses sincere thanks to the entire accounting staff, while Accounting Manager Tena Mose and Senior Accountants Jeff Miller and Chris Nelson 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, Baker Tilly US, LLP, not only for its professionalism during the 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 and contributions to this document. As the governing body, your commitment to accurate and reliable financial accounting and reporting systems establishes an environment that supports important citywide decision-making. We are pleased to convey the City Council's commitment to excellence to our citizens and all readers of the Annual Comprehensive Financial Report for the fiscal year ended December 31, 2025.

Respectfully Submitted,

Brian Waldes, CPFO
Deputy City Manager/Chief Financial Officer



The **Loveland Fire Rescue Authority** operates under an Intergovernmental Agreement that establishes 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, 2024

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.

Report of Independent Auditors

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 discretely presented component unit and remaining fund information of the City of Loveland (the City) as of and for the year ended December 31, 2025, 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 discretely presented component unit and remaining fund information of the City as of December 31, 2025, and the respective changes in 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 *(Government Auditing Standards)*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information, as listed 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 who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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.

Supplementary 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 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,* other supplementary information as listed in the table of contents, and local highway finance report, are presented for purposes 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 GAAS. In our opinion, the schedule of expenditures of federal awards, other supplementary information, and local highway finance report 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 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 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 29, 2026, 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, and 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.

Baker Tilly US, LLP

Medford, Oregon
June 29, 2026

Management's Discussion & Analysis

The City of Loveland offers the following narrative overview and analysis of its financial activities for the fiscal year ending December 31, 2025. Readers are encouraged to review this section in conjunction with the letter of transmittal and the City's financial statements.

Loveland utilizes a conservative approach to financial management characterized by cautious revenue projections, careful operating and capital expenditure planning, and contingencies for unforeseeable events. In 2025, the City continued to manage the ongoing financial impacts of the voter-approved removal of food for home consumption from the City's sales tax base, which became effective in 2024 and resulted in a multi-million-dollar reduction in annual General Fund revenue. The City continued to implement expenditure reductions, evaluate service levels, and use one-time resources strategically to support priority capital needs while maintaining essential services.

While the City maintained a positive General Fund balance at year-end, the reduction in sales tax capacity continued to place pressure on the General Fund and limited flexibility for future operating and capital needs. The City continues to monitor revenue trends closely, refining long-term forecasts, and evaluating options to support continued financial sustainability.

With regard to capital financing, the City has continued to use a combination of pay-as-you-go funding and strategic financing instruments, including bonds and certificates of participation (COPs), to better align the cost of major infrastructure with the useful life of the assets and the long-term benefits provided to the community. These tools have supported significant investments in recent years, including Chimney Hollow Reservoir, the City's municipal fiber network "Pulse," stormwater improvements, downtown infrastructure, and water and wastewater utility systems.

Despite continued fiscal pressures, the City remains committed to transparent financial stewardship and the continued delivery of high-quality, cost-effective programs, services, and amenities for the community.

FINANCIAL HIGHLIGHTS

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows at the close of 2025 by $1,661,179,145 (net position). This amount is comprised of $770,392,793 in Governmental Activities and $890,786,352 in Business-type Activities. Of the net position amount, $242,312,154 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 $88,932,542 from the prior year, of which $26,167,367 is attributable to governmental activities and $62,765,175 to business-type activities.

- At the close of 2025, the City's governmental activities reported a combined ending fund balance of $159,094,768, which is an increase of $420,426 from prior year; $28,499,844 of the balance is unassigned.

- At the close of 2025, the General Fund unassigned fund balance was $28,917,123 or approximately 27% of total General Fund operating expenditures. This is a decrease of $7,327,327 from the unassigned fund balance at the close of 2024.

- The City's outstanding debt (including compensated absences) of $370,022,777 at the end of 2025 increased by $116,919,297. This increase is due primarily to the issuance of governmental Certificates of Participation and Water and Wastewater bonds in 2025.

MAJOR INITIATIVES AND IMPACTS

The City's General Fund Balance was $42,777,540 at the close of 2024, and $35,662,726 at the close of 2025, a decrease of $7,114,814. This decrease was anticipated and reflects the use of fund balance for planned one-time capital projects and transfers supporting non-lapsing capital needs, as well as the continued impact of reduced sales tax revenue following the removal of food for home consumption from the City's sales tax base. While the General Fund remained positive at year-end, the decrease illustrates the continued pressure on the City's primary operating fund and the importance of ongoing expenditure management and long-term revenue planning.

General Fund operating revenue decreased from $121,238,497 in 2024 to $118,093,539 in 2025, a decrease of $3,144,958 or approximately 2.6%. The decrease was driven primarily by lower grant revenue and charges for services and was partially offset by increases in property tax revenue, payments in lieu of taxes, and modest growth in sales tax collections compared to 2024.

Completion and/or Continuation of Major Capital Projects in 2025:

1. **Chimney Hollow Reservoir:** Chimney Hollow Reservoir is part of a regional collaboration between 12 Northeastern Colorado water providers aimed at enhancing the reliability of the 1985 Windy Gap Project (operated by Northern Water's Municipal district). The firming project will build a new East Slope reservoir 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. Total project expenses through the end of 2025 total $84.18 million. Final dam testing and initial filling of the reservoir is expected to begin in 2026 and continue through 2027.

2. **US-34 & Taft Intersection Upgrades:** The US 34 & Taft Avenue Intersection Improvement Project is a multi-phase effort by the City of Loveland (in partnership with CDOT) to enhance safety, reduce congestion, and improve multimodal access at one of the city's busiest junctions, which serves more than 28,000 vehicles daily on US 34 and 21,000 on Taft. The City launched the project in mid-2024 with completion expected by July of 2026. Funding sources include CDOT/CMAQ grants, TABOR funds, General Fund, Capital Expansion Fees, and Water Enterprise Fund. Total cost to date through the end of 2025 is $12.9 million.

3. **Garfield and Harrison Outfall-All Phases:** This capital infrastructure project will reduce flooding problems in this area, and the project includes the installation of an underground storm drainage system. Total cost to date through the end of 2025 is $21.6 million.

4. **3.5 MG Water Tank - 43rd Street:** The 3.5-million-gallon tank was constructed to increase storage capacity within the P1 pressure zone, ensuring adequate volume to meet peak demand and provide reliable fire flow support as development and growth continue in the area. Project was complete in 2025 at a cost of $12 million.

5. **US-34 Denver Avenue to Boyd Lake Avenue Widening:** The project widened a congested stretch of US-34 to enhance safety and multimodal access. The project added third through lanes in each direction, upgraded shoulders, curb and gutter, and a new sidewalk. Subsequent phases extend similar improvements east from Boyd Lake to I-25, all funded through federal grants, general fund, and local capital fees. Improvements were added as completed infrastructure assets in 2025 at a cost of $8.1 million.

6. **Downtown 4th Street Revitalization:** The long-awaited Heart Improvement Plan (HIP) advanced into construction in late February 2025, following unanimous Council approval in November 2024. This project will revitalize the historic core of Downtown Loveland and includes streetscape enhancements (such as new sidewalks, landscaping, streetlights, and public space improvements) and essential underground utility upgrades (water, stormwater, and power). The project is funded through Certificates

of Participation and utility enterprise funds, totaling approximately $24.5 million ($12 M in utility funds and $12.5 M via certificates of participation to be paid by the Loveland Downtown Development Authority). Total cost to date through the end of 2025 is $7.2 million.

7. **South Loveland Outfall Phase 3:** This work involves protecting the existing articulated block rundown in place and installation of concrete block wall with cap on both sides of articulated block rundown to increase capacity. The project also includes reseeding of all disturbed areas once complete. This project will complete the storm drainage improvements within this area of the community. Total cost to date through the end of 2025 is $8.4 million.

8. **29th Street & Madison Intersection and Corridor Improvements:** Also known as the Madison Avenue Corridor Improvement Project—this work transformed a key north–south route between 29th and 37th Streets in Loveland. The project began construction in 2025 with expected completion in spring 2026, it added a new roundabout at Madison & 37th, buffered bike lanes, continuous sidewalk on the east side of Madison, a center turn lane, upgraded utilities (water, storm drainage, gas, electric), and a public art installation. Total cost to date through the end of 2025 is $5.5 million.

Softening Growth in Sales Tax:

The City of Loveland experienced steady sales tax growth for several years prior to 2023. However, sales tax growth slowed in 2023 and declined significantly in 2024 following the voter-approved removal of food for home consumption from the City's sales tax base, effective January 1, 2024.

In 2025, General Fund sales tax revenue increased modestly by $796,932, or 1.4%, compared to 2024. While this represents slight year-over-year growth, collections remained well below the level that would have been expected prior to the removal of food for home consumption from the taxable base. Sales tax continues to be the General Fund's largest and most economically sensitive revenue source, accounting for 47.7% of total General Fund revenue in 2025. As a result, the City continues to monitor consumer spending trends, economic conditions, and the long-term structural impacts of the reduced sales tax base.

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
2016	78,508,132	42,371,545	54.0%	4.6%
2017	81,085,397	44,119,468	54.4%	4.1%
2018	85,537,294	45,574,851	53.3%	3.3%
2019	87,823,622	47,921,968	54.6%	5.2%
2020	91,768,812	47,933,998	52.2%	0.0%
2021	109,777,331	53,004,011	48.3%	10.6%
2022	121,658,483	59,908,287	49.2%	13.0%
2023	119,898,833	62,338,063	52.0%	4.1%
2024	121,238,497	55,542,661	45.8%	-10.9%
2025	118,093,539	56,339,593	47.7%	1.4%

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

OVERVIEW OF 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 the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Position and the Statement of Activities report the City's net position and changes from the prior year. The City's net position—the difference between assets and liabilities— serves as a key metric for assessing its financial well-being, or financial position. Over time, increases or decreases in net position provide an indicator of whether the City's financial health is improving or declining. It's important to note, however, that there are non-financial factors that can both influence and reflect the overall health of the City, such as changes in the City's property tax base and the condition of the City's infrastructure such as streets, bridges, storm drains, and water and sewer lines.

The City's Statement of Net Position and Statement of Activities are divided into two types of activities:

- **Governmental Activities**— Most of the City's basic services are reported here, including general administration, police, fire, parks & recreation, community services, public works, library, and cultural services. Sales taxes, property taxes, franchise taxes, user fees, fines, and intergovernmental revenue, including state and federal grants, fund most of these activities.
- **Business-Type Activities**— These services are funded primarily through user fees and include operations such as electric and communications utilities, water, wastewater, stormwater, solid waste collection, and golf courses.

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

While government-wide statements provide a broad view of the City's finances, the Fund Financial Statements offer a more detailed perspective on the City's most significant funds. Some funds are required by state law, while others, such as capital expansion fees, are established by the City Council to manage specific resources or comply with legal or contractual requirements.

The City reports two types of funds, each using a different accounting method.

- **Governmental Funds**— These funds report most of the City's basic services and are focused on short-term inflows and outflows of financial resources. They use modified accrual accounting, which measures cash and other assets that can be readily converted to cash. These statements provide a near-term view of available financial resources and help determine whether the City can meet its short-term obligations and support current 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 activities are reported in the Statement of Net Position and the Statement of Activities using the accrual basis of accounting. 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. Internal Service Funds, which support internal City operations (e.g., Fleet or Risk services), are presented in an aggregated format within the proprietary fund statements. More detailed data for each internal service fund can be found in the individual fund statements and schedules section of this report.

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

The City also holds resources in a trustee or custodial capacity. These fiduciary activities are reported separately from the City's other financial statements, as these assets are not available to support the City's operations. The City is responsible for ensuring that the assets reported in these funds are used solely 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 plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by $1,661,179,145 as of December 31, 2025.

Net Position

Combined net position of the City of Loveland at December 31, 2025 were as follows:

CITY OF LOVELAND, COLORADO
STATEMENT OF NET POSITION

	Governmental Activities		Business-Type Activities		Total		Total % of Change
	2025	2024	2025	2024	2025	2024	
Current and other assets	$ 301,543,821	$ 284,899,356	$ 330,834,239	$ 219,732,175	$ 632,378,060	$ 504,631,531	25.3%
Capital assets	606,108,451	565,887,739	913,233,981	850,899,548	1,519,342,432	1,416,787,287	7.2%
Total Assets	**907,652,272**	**850,787,095**	**1,244,068,220**	**1,070,631,723**	**2,151,720,492**	**1,921,418,818**	**12.0%**
Deferred Outflows of Resources	149,371	195,865	216,489	237,107	365,860	432,972	(15.5)%
Total Assets and Deferred Outflows of Resources	**907,801,643**	**850,982,960**	**1,244,284,709**	**1,070,868,830**	**2,152,086,352**	**1,921,851,790**	**12.0%**
Long-term liabilities	61,675,224	40,982,438	309,996,813	213,483,779	371,672,037	254,466,217	46.1%
Other liabilities	28,647,039	24,335,068	36,978,887	29,363,874	65,625,926	53,698,942	22.2%
Total Liabilities	**90,322,263**	**65,317,506**	**346,975,700**	**242,847,653**	**437,297,963**	**308,165,159**	**41.9%**
Deferred Inflows of Resources	47,086,587	41,155,705	6,522,657	-	53,609,244	41,155,705	30.3%
Total Liabilities and Deferred Inflows of Resources	**137,408,850**	**106,473,211**	**353,498,357**	**242,847,653**	**490,907,207**	**349,320,864**	**40.5%**
Net Position:							
Net investment in capital assets	562,188,580	533,874,572	707,177,408	674,835,319	1,269,365,988	1,208,709,891	5.0%
Restricted-Nonspendable	4,235,165	3,928,555	-	-	4,235,165	3,928,555	7.8%
Restricted	55,167,768	51,664,858	90,098,070	75,478,154	145,265,838	127,143,012	14.3%
Unrestricted	148,801,280	155,041,764	93,510,874	77,707,704	242,312,154	232,749,468	4.1%
Total Net Position	**$ 770,392,793**	**$ 744,509,749**	**$ 890,786,352**	**$ 828,021,177**	**$ 1,661,179,145**	**$ 1,572,530,926**	**5.6%**

As of December 31, 2025, 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 $632,378,060 for current and other assets include $500,726,939 in general and restricted cash and investments. The restricted balance of cash and investments is $215,618,436 for acquisition or construction of future capital assets or the payment of debt.

The largest portion of the City's total net position (76.4%) is the investment in capital assets (land, buildings, improvements, equipment, etc.); less related outstanding debt used to acquire those assets. The City of Loveland uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, primarily future revenue.

Long-term liabilities reported in the Governmental Activities at the end of 2025 includes Certificates of Participation of $25,255,000 excluding the premium, compensated absences of $7,891,997, oversizing agreements of $5,721,982, construction and equipment financing agreements of $13,839,127, pollution remediation of $583,600, lease and subscription-based IT agreements of $5,259,476 and a loan agreement with a balance of $824,430.

In Business-Type Activities, the 2019 and 2024 Municipal Fiber bonds of $103,235,000, the 2021 Raw Water debt for Chimney Hollow of $46,760,000, and the 2024 Stormwater debt of $16,115,000, along with a Water bond issuance of $43,630,000 and a Wastewater bond issuance of $48,490,000 in 2025 make up the majority of the outstanding debt balance. (All bond amounts shown are excluding the premiums.) The remaining debt in Business-Type activities is made up of compensated absences of $2,838,677, lease agreements of $3,158,070, an equipment financing agreement of $221,416, a loan agreement of $7,150,831, oversizing agreements of $728,262, ARO liability for Hydro, $569,859, ARO liability for Solar, $350,000 and water and wastewater bonds of $1,695,000 and $16,025,000 respectively.

Changes in Net Position

In 2025, revenues and transfers of $470,916,913 exceeded program expenses of $381,984,371 resulting in an increase in net position of $88,932,542. This increase includes $31,257,700 from contributed assets, $20,706,860 in the governmental funds and $10,550,840 in the enterprise funds, as well as $4,304,911 for revenue restricted for capital spending in the enterprise funds. The remaining $53,369,931 represents the amount of on-going revenues, and additional revenues from rate increases, exceeding operating expenses. The increase was driven by strong business-type activity results, continued capital grants and contributions, investment earnings, property taxes, and utility and broadband rate and development-related revenues. Governmental revenues decreased from 2024 primarily because operating grants and contributions declined, while capital grants and contributions, property taxes, and investment earnings partially offset the decrease.

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
	2025	2024	2025	2024	2025	2024	
Program Revenue							
Charges for service	$ 46,087,225	$ 48,508,193	$ 191,551,323	$ 178,517,153	$ 237,638,548	$ 227,025,346	4.7%
Operating grants/contributions	35,993,993	48,609,201	1,057,616	1,804,575	37,051,609	50,413,776	(26.5)%
Capital grants/contributions	25,333,531	18,713,101	34,824,435	29,359,195	60,157,966	48,072,296	25.1%
General Revenues:							
Property Taxes	40,612,966	38,255,498	-	-	40,612,966	38,255,498	6.2%
Sales and Use Taxes	72,677,289	73,140,822	-	-	72,677,289	73,140,822	(0.6)%
Franchise and Other Taxes	3,219,102	2,925,250	-	-	3,219,102	2,925,250	10.0%
Investment Earnings (Loss)	8,430,779	7,723,253	10,440,359	7,462,475	18,871,138	15,185,728	24.3%
Other	117,555	136,458	570,740	114,114	688,295	250,572	174.7%
Total Revenues	**232,472,440**	**238,011,776**	**238,444,473**	**217,257,512**	**470,916,913**	**455,269,288**	**3.4%**
Program Expenses:							
City Manager	5,763,298	5,518,390	-	-	5,763,298	5,518,390	4.4%
Legislative	551,173	369,345	-	-	551,173	369,345	49.2%
City Attorney	2,008,032	2,684,485	-	-	2,008,032	2,684,485	(25.2)%
City Clerk	833,367	839,902	-	-	833,367	839,902	(0.8)%
Municipal Court	1,189,387	1,042,196	-	-	1,189,387	1,042,196	14.1%
Finance	7,186,349	6,561,817	-	-	7,186,349	6,561,817	9.5%
Human Resources	2,093,942	2,040,921	-	-	2,093,942	2,040,921	2.6%
Information Technology	7,464,291	6,280,946	-	-	7,464,291	6,280,946	18.8%
Economic Development	3,051,697	3,157,794	-	-	3,051,697	3,157,794	(3.4)%
Development Services	6,528,819	6,210,419	-	-	6,528,819	6,210,419	5.1%
Public Works	44,762,292	37,582,778	-	-	44,762,292	37,582,778	19.1%
Police	39,577,578	35,746,417	-	-	39,577,578	35,746,417	10.7%
Fire & Rescue	32,601,983	30,524,248	-	-	32,601,983	30,524,248	6.8%
Parks & Recreation	19,035,383	18,326,199	-	-	19,035,383	18,326,199	3.9%
Library	3,705,256	4,488,361	-	-	3,705,256	4,488,361	(17.4)%
Cultural Services	2,937,548	2,889,771	-	-	2,937,548	2,889,771	1.7%
General Government	25,628,026	27,751,644	-	-	25,628,026	27,751,644	(7.7)%
Interest on Long Term Debt	1,663,900	1,027,079	-	-	1,663,900	1,027,079	62.0%
Water	-	-	25,588,978	24,441,338	25,588,978	24,441,338	4.7%
Wastewater	-	-	19,213,569	16,463,138	19,213,569	16,463,138	16.7%
Stormwater	-	-	6,631,306	6,545,597	6,631,306	6,545,597	1.3%
Electric & Communications	-	-	107,449,720	96,865,048	107,449,720	96,865,048	10.9%
Solid Waste	-	-	11,478,096	11,341,506	11,478,096	11,341,506	1.2%
Golf	-	-	5,040,381	4,718,385	5,040,381	4,718,385	6.8%
Total Expenses	**206,582,321**	**193,042,712**	**175,402,050**	**160,375,012**	**381,984,371**	**353,417,724**	**8.1%**
Increase in net position before transfers	25,890,119	44,969,064	63,042,423	56,882,500	88,932,542	101,851,564	(12.7)%
Transfers	277,248	345,532	(277,248)	(345,532)	-	-	-%
Increase in net position	26,167,367	45,314,596	62,765,175	56,536,968	88,932,542	101,851,564	(12.7)%
Net Position - Beginning	**744,509,749**	**699,195,153**	**828,021,177**	**771,484,209**	**1,572,530,926**	**1,470,679,362**	**6.9%**
Adjustment - change in financial reporting entity	**$ (284,323)**	**$ -**	**$ -**	**$ -**	**(284,323)**	**-**	**-%**
Net Position-Beginning, as restated	**$ 744,225,426**	**$ 699,195,153**	**$ 828,021,177**	**$ 771,484,209**	**1,572,246,603**	**1,470,679,362**	**6.9%**
Net Position - Ending	**$ 770,392,793**	**$ 744,509,749**	**$ 890,786,352**	**$ 828,021,177**	**$ 1,661,179,145**	**$ 1,572,530,926**	**5.6%**

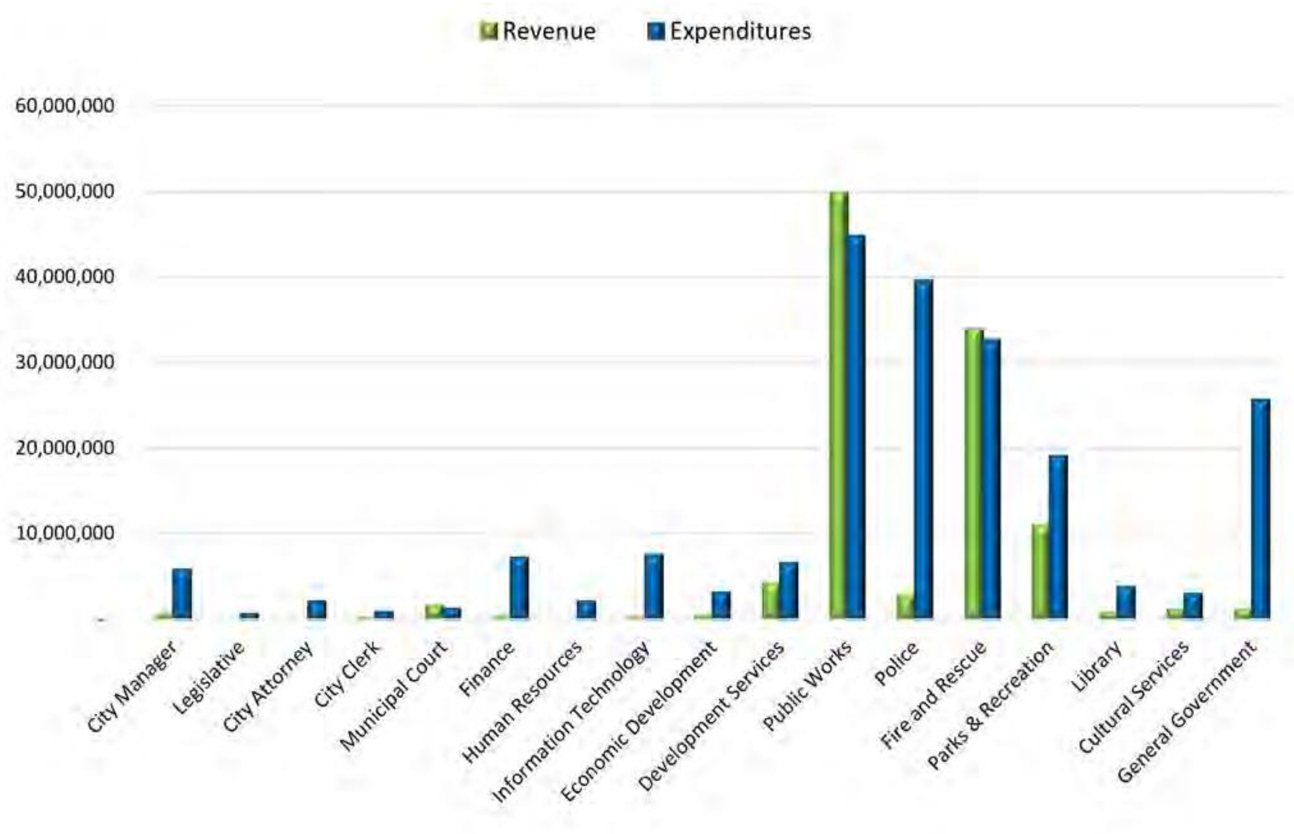
Governmental Activities

Governmental Activities increased the City's net position by $26,167,367 in 2025. Total governmental revenues declined from $238.0 million in 2024 to $232.5 million in 2025 primarily due to lower operating grants and contributions and lower charges for services. These decreases were partially offset by increases in capital grants and contributions, property taxes, investment earnings, and franchise and other taxes. Expenses increased by $13.5 million with notable increases in Public Works, Police, Fire & Rescue, Information Technology, and interest on long-term debt, reflecting inflation in service delivery costs, capital-related activity, and the impact of recently issued debt.

Overall, the increase in net position reflects continued investment in capital assets and infrastructure, as well as the City's use of a diverse mix of tax revenue, user fees, intergovernmental revenue, and capital contributions to support governmental services.

The following graph compares program revenues and expenditures of Governmental Activities in 2025, illustrating the majority of expenditures are related to public services and safety.

2025 Program Revenue & Expenditures
Governmental Activities

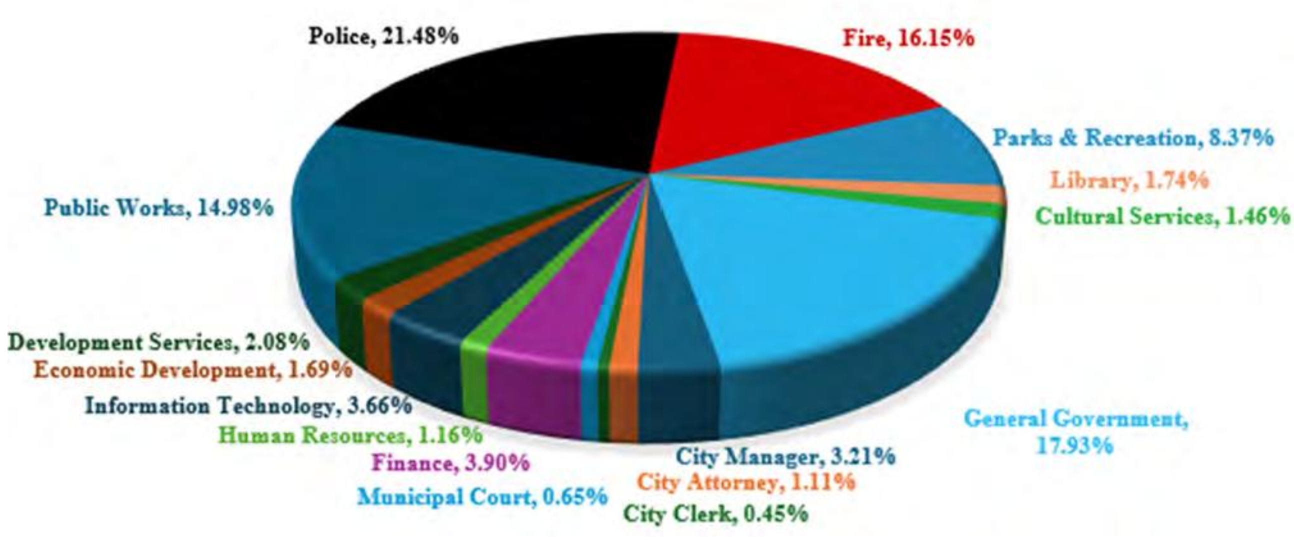


The following chart shows revenue by source for Governmental Funds. As can be seen below, approximately 55% of this revenue comes from taxes (sales, property, use, etc.), followed by 20% in intergovernmental revenue and 9% from charges for services provided.

Revenue by Source - Governmental Funds

This next chart shows expenditures by service area or department for Governmental Funds. Police and Fire account for approximately 38% of current governmental fund expenditures, followed by General Government at 18% and Public Works at approximately 15%. The General Government expenses include contributions made to Loveland Fire Rescue Authority from the City's General Fund, as well as collections for Centerra Crossroads that are distributed from the Loveland Urban Renewal fund. Public Works expenses include amounts paid from the Transportation Fund for capital and maintenance projects.

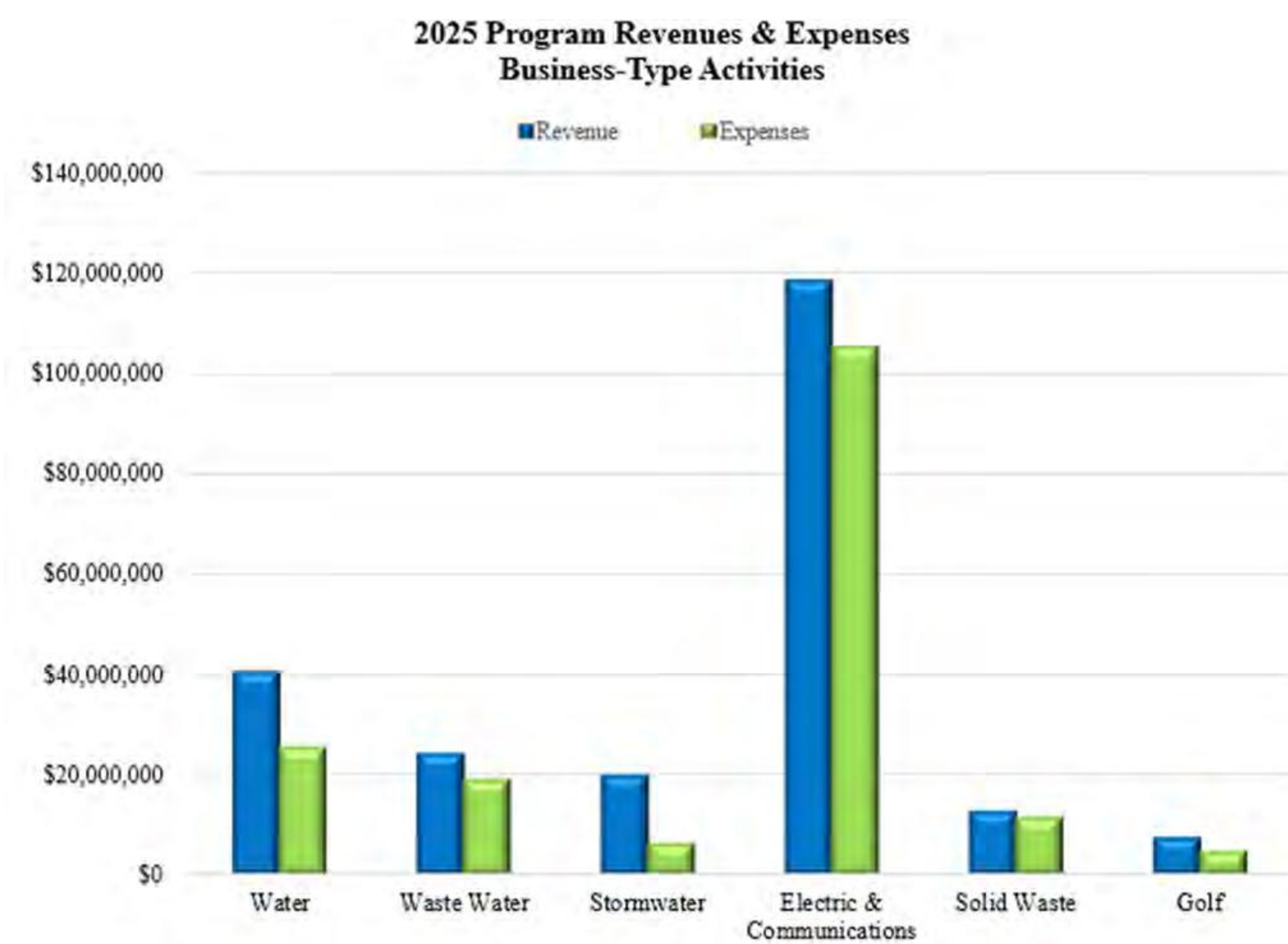
Expenditures by Source – Governmental Funds



Business-Type Activities

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

As shown in the graph below, all of the City's business-type activities had higher revenues than expenses in 2025.



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

For year-end 2025, net position for Business-Type Activities increased by $62,765,175. This increase was driven by utility rate adjustments, development-related revenues, growth in the broadband customer base, contributed capital assets, and investment earnings. Investment earnings increased from $7,462,475 in 2024 to $10,440,359 in 2025 due to market interest rates, managed portfolio activity, and accounting adjustments for unrealized gains and losses. Business-Type Activities will continue to conduct routine rate studies to support appropriate rate setting and ensure sufficient revenues for operating, capital, debt service, and long-term infrastructure needs.

THE CITY'S FUNDS

Information on the City's major governmental funds begins on page 32. These funds are accounted for using the modified accrual basis of accounting. Overall, the balances of these funds increased by $420,426, and the City ended the year with a combined fund balance of $159,094,768.

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 $4,235,165.
- Restricted balance of $56,063,859 includes $3,882,282 reserve for emergencies; $16,465,937 for Fire and Rescue; $9,546,628 for Open Space Acquisitions; $6,190,417 for Parks & Recreation; $15,537,537 for Urban Revitalization; as well as funds for Convention & Tourism, Library and Law Enforcement.
- Committed balances include $68,732,499 for future capital improvements; Art in Public Places; public education; and affordable housing.
- Assigned balances of $822,619 are for items such as Parks Improvements, and Fiber Network.
- The unassigned balance for General Fund $28,917,123, which includes the reserve policy adopted in 2019. 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 $5,525,832. 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 $3,769,201; the current fund balance is $22,609,613.

Financial Analysis of the Governmental Funds

The General Fund accounts for the primary 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 $118,093,539 decreased by approximately 3% from the prior year. Tax revenue remained relatively flat, increasing by approximately 3% in 2025 to $87,708,190, comprising 74% of the total General Fund operating revenue. The General Fund balance decreased by $7,114,814, primarily due to transfers supporting Transportation Fund non-lapsing capital projects and the continued impact of the reduced sales tax base. The decrease underscores the City's need to continue monitoring ongoing revenues and expenditures carefully as part of future budget development.

The Loveland Urban Renewal Authority (LURA) Fund revenues increased in 2025 to $23,047,972. Tax revenues of $22,758,462 representing approximately 99% of total revenues increased by $2,224,720 or 11% from 2024. Total 2025 expenditures of $22,428,121 include the distribution of tax increment financing and school district funding. The LURA Fund balance ended the year at $3,474,584, an increase of $619,851 over 2024.

The Transportation Fund's fund balance decreased by $3,011,664 due to one-time transfers from General Fund and the Capital Expansion Fees fund to cover non-lapsing capital projects, ending 2025 at $16,131,479.

Total revenues in the Capital Expansion Fees (CEF) Fund decreased by $7,235,215, or 47% from 2024, due to lower building activity charges for services in 2025. Expenditures also decreased from $8,316,139 in 2024 to $4,395,375 in 2025 reflecting lower capital outlay. As a result of these changes, fund balance in the CEF Fund decreased by $329,224.

Excluding transfers, the total revenue for the Loveland Fire Rescue Authority Fund was $34,986,194 and includes the contribution from the City of $18,954,701. Total expenditures equaled $38,943,778 an increase of $6,150,230 over 2024 due to increased capital outlay. Other financing sources in 2025 included $4,344,786 in bond proceeds resulting in a final fund balance increase of $366,044 over 2024.

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. Internal service funds, although considered proprietary funds, are excluded from this analysis.

Total net position of the Proprietary Funds at year-end was $890,786,352, an increase of $62,765,175. Each of the Proprietary Funds had net position increases. The Water, Wastewater, and Stormwater utilities increased their net positions by $11.2 million, $2.4 million, $12.8 million respectively. The most significant increase was in the Electric and Communications Fund which increased $32,268,415 from 2024. These increases were due to rate increases, development-related revenues, aid to construction, and transfers.

General Fund Budgetary Highlights

Following the change to the sales tax base in 2024—the elimination of sales tax on food for home consumption—the Budget team quickly responded with a revised revenue forecast and worked closely with City leadership to reduce expenditures, ensuring a balanced 2025 budget. While broader U.S. economic indicators remained relatively resilient in 2025, local growth was anticipated to remain relatively flat and the City continued to face long-term pressure in the General Fund. These pressures were considered during development of the 2026 budget, including evaluation of ongoing operating needs, capital funding requirements and the availability of one-time resources.

The City is implementing a 3.5% merit-based salary increase and a 1.5% pool for City Manager directed compression adjustments in 2026. These compensation adjustments assist the City of Loveland in attracting and retaining a talented and qualified workforce and remaining competitive with neighboring municipalities.

The Finance Department has worked closely with the City Manager's Office to refine our budget process over the past several years. The result is a comprehensive budget document that supports a balanced approach to addressing funding challenges. We aim to ensure that the budget process provides Council, citizens, and staff with a clear picture of our economic condition, enabling informed decision-making for the future of our community.

Improvements to the budgeting and financial reporting processes include:

- Distinguishing General Government Service Funds from Enterprise/Special Revenue Funds
- Separating "On-Going" funding requests from "One-Time" requests
- Streamlining Quarterly Financial Reporting and mirroring the format of our budget presentations
- Utilizing quarterly reviews of City income and expenses to guide budget adjustments based upon fiscal trends and other relevant factors.

The City has also transitioned from a manual, paper-based budget process to an integrated cloud-based budget system. Budget documents have been produced digitally through the OpenGov platform since 2024, allowing residents to access the City's budget online through interactive charts and graphs. This platform supports the City's continued commitment to transparency, accessibility, and improved financial reporting.

Capital Assets and Debt Administration

Capital Assets

At the end of 2025, the City had $1,519,342,433 invested in capital assets including but not limited to police and fire equipment, buildings, park facilities, roads, water, wastewater, power lines, and other public infrastructure.

Overall, in the Statement of Net Position, capital assets increased across several categories including buildings, equipment, infrastructure, easements, and construction in process. The following make up the largest portion of the balance in Construction in Process at the end of 2025:

Chimney Hollow Reservoir	$ 84,180,515
Garfield & Harrison Storm Drainage Outfall - All Phases	21,632,484
Taft & Eisenhower Intersection Improvements	12,959,988
South Loveland Storm Drainage Outfall - Phase 3	8,478,336
HIP Streets Modernization Plan	7,267,808
Water Pump Station P2 & Discharge	6,860,736
29th & Madison Intersection and Corridor Improvements	5,502,323

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
	2025	2024	2025	2024	2025	2024	
Land	$ 74,535,936	$ 74,335,936	$ 15,787,730	$ 15,787,730	$ 90,323,666	$ 90,123,666	0.2%
Art Collection	9,458,871	9,269,738	-	-	9,458,871	9,269,738	2.0%
Buildings	98,283,647	84,894,727	45,382,516	34,569,972	143,666,163	119,464,699	20.3%
Leased Buildings	4,438,065	4,564,900	2,997,197	3,366,565	7,435,262	7,931,465	(6.3)%
Improvements	46,536,052	41,736,574	127,673,955	118,833,880	174,210,007	160,570,454	8.5%
Equipment	29,899,785	25,389,278	13,453,799	11,145,446	43,353,584	36,534,724	18.7%
Leased Equipment	45,732	96,781	-	-	45,732	96,781	(52.7)%
Software	573,290	936,074	22,500	-	595,790	936,074	(36.4)%
Water rights	2,982,508	2,968,488	79,329,736	78,556,475	82,312,244	81,524,963	1.0%
Infrastructure	285,664,966	257,948,366	388,934,993	376,987,581	674,599,959	634,935,947	6.2%
Easements	11,843,538	10,818,940	51,401,254	46,153,897	63,244,792	56,972,837	11.0%
Construction in Process	41,846,061	52,927,937	188,250,302	165,498,002	230,096,363	218,425,939	5.3%
Total	**$ 606,108,451**	**$ 565,887,739**	**$ 913,233,982**	**$ 850,899,548**	**$ 1,519,342,433**	**$ 1,416,787,287**	**7.2%**

Major additions in 2025 included the following assets:

3.5 MG Water Tank - 43rd St	$12.4 Million
Cascade Building	$3.5 Million
Pulliam Building	$9.5 Million
US 34 to Boyd Lake Ave Widening	$8.1 Million
Power AMI Meter Rollout	$7.5 Million

Debt

At year-end, the City had a number of oversizing agreements related to Streets totaling $5,721,982. There were no contract amendments in 2025. Additionally, the City issued debt in 2025 related to street improvements.

On February 12, 2025, the City issued Certificates of Participation for the Heart Improvement Plan (HIP Street Improvements) that includes certain street and sidewalk improvements within the historic core of downtown Loveland. The certificates bear an interest rate of 5.00% for fifteen years. The amount of the proceeds was

$12,060,000. The debt is secured by the initial leased property of the City's Public Works Building. The City paid down $365,000 of the debt in 2025.

Between 2013 and 2015, the City secured $13,200,000 for improvements to the Water Treatment Plant. In addition, in 2021, 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 $185,000 of the 2015 water bond debt and $1,480,000 of the 2021 Water bond debt in 2025. Additionally, between 2017 and 2018, the City secured $24,900,000 for improvements to the Wastewater Treatment Plant; the City paid down $955,000 of this debt in 2025.

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 proceeds were used to design, build, and operate a municipal fiber network to provide communications services to the residents and customers of the Electric utility. The combined total of net proceeds from the two bonds issued was $95,420,361 including the bond premium. The City paid down $2,710,000 of the debt in 2025.

In 2024, the City of Loveland secured two significant revenue bond issuances through its enterprise funds:

- On March 19, 2024, the City Council authorized the issuance of up to $19 million in tax-exempt revenue bonds through the City's Stormwater Enterprise. The City subsequently issued $17,450,000 in Stormwater Enterprise Revenue Bonds, Series 2024, to fund several critical infrastructure projects, including the Garfield & Harrison Outfall Phases 3 and 4, the Heart Improvement Program, and an expansion of the Stormwater Division’s facility. The City paid down $375,000 of the debt in 2025.

- On October 29, 2024, the City of Loveland issued two Electric and Communications Enterprise Revenue Bonds to support continued investment in its municipally owned broadband utility, Pulse. The City closed on $9,600,000 in Tax-Exempt Revenue Bonds, Series 2024A, and $15,210,000 in Taxable Revenue Bonds, Series 2024B, for a combined total of $24.81 million. Proceeds from these bonds will fund the buildout and ongoing support of Loveland’s citywide fiber-optic network. No principal payments were due on the bonds in 2025.

In 2025, the City of Loveland closed on two additional revenue bond issuances for the Water and Wastewater enterprise funds.

- On July 30, 2025, the Water fund issued revenue bonds in the amount of $43,630,000 to be used to fund multiple projects to manage aging infrastructure, growth and new regulations. The projects are expected to include waterline replacement, lining and maintenance projects. The bonds have interest rates varying between 4.50% and 5.00%. The bonds have a final maturity date of August 1, 2050 with the first principal payment of $915,000 due on 8/1/2026. The bonds are payable from the net revenues from the Water fund.

- On July 30, 2025, the City Wastewater fund issued revenue bonds in the amount of $48,490,000 to be used to construct upgrades to the Water Reclamation Facility. The project will generally improve the existing secondary treatment process to improve and enhance the process while continuing to meet regulation requirements. They are also expected to be used on improvements throughout the facility to address aging infrastructure and redundancy concerns. The bonds have interest rates varying between 4.50% and 5.00%. The bonds have a final maturity date of August 1, 2050 with the first principal payment of $1,020,000 due on 8/1/2026. The bonds are payable from the net revenues from the Wastewater fund.

These revenue bond debt issuances reflect the City’s commitment to financing major utility infrastructure through self-supporting enterprise models, ensuring that long-term investments benefit residents without burdening the General Fund.

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 Fiscal Contingency Reserve is anticipated to reach $19.1 million in 2026. This reserve amount meets the minimum 15% threshold established in Loveland's Fund Balance and Reserve Policy adopted by City Council in 2019. The City's base budget, in addition to a $10.1M planned draw-down in the General Fund from one-time capital and decision packages, leaves $12.4M in unassigned fund balance for 2026. However, this remaining unassigned fund balance is already needed for the 2027 Budget Process.

On March 3, 2020, the City adopted its first citywide Strategic Plan. This foundational document continues to support budget related decision-making across the City's core focus areas including 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 support capital needs. Water rates will increase by 4% in 2026 to fund capital projects at the Water Treatment Plant and throughout the distribution system. Wastewater rates will increase by 4% in 2026, to fund improvements at the Water Reclamation Facility and within the collection system. These Water and Wastewater improvements aim to address aging infrastructure, improve reliability and redundancy and ensure regulatory compliance. Power rates will increase by 5.88% in 2026 to fund increases in wholesale power costs and additional rehabilitative capital needs

CONTACTING THE CITY'S FINANCIAL MANAGEMENT TEAM

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to illustrate the City's accountability for the revenue it receives.

If you have questions about this report or need additional financial information, contact the Finance Department at 500 East Third Street, Loveland, Colorado, 80537 or access our website at https://www.lovgov.org.

Basic Financial Statements

City of Loveland, Colorado
Statement of Net Position
December 31, 2025

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
ASSETS				
Cash	$ 11,434	$ 8,650	$ 20,084	$ 104,591
Equity in Pooled Cash	41,142,459	26,190,558	67,333,017	-
Equity in Pooled Investments	149,545,672	68,209,730	217,755,402	-
Receivables (Net):				
Taxes	54,656,992	-	54,656,992	-
Accounts	5,265,765	17,011,306	22,277,071	-
Grants	6,907,286	2,612,432	9,519,718	-
Lease Receivable	865,794	6,569,695	7,435,489	-
Accrued Interest	1,054,968	882,795	1,937,763	-
Internal Balances	328,791	(328,791)	-	-
Inventory of Supplies	1,464,512	16,835,457	18,299,969	-
Prepaid items	5,445	-	5,445	-
Equity in Northern Colorado Regional Airport	17,518,674	-	17,518,674	-
Restricted Assets:				
Equity in Pooled Restricted Cash	22,776,029	137,436,070	160,212,099	-
Equity in Pooled Restricted Investments	-	55,406,337	55,406,337	-
Capital Assets:				
Land, Water Rights and Other Assets not Being Depreciated/Amortized	98,820,853	146,518,718	245,339,571	-
Building, Improvements, Equipment, and Software net of Depreciation/Amortization	465,441,537	578,464,960	1,043,906,497	247,260
Construction in Progress	41,846,061	188,250,303	230,096,364	-
Total Assets	907,652,272	1,244,068,220	2,151,720,492	351,851
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Pension Items	149,371	-	149,371	-
Asset Retirement Obligation	-	216,489	216,489	-
Total Deferred Outflows of Resources	149,371	216,489	365,860	-
LIABILITIES				
Accounts Payable	19,878,792	20,244,686	40,123,478	-
Accrued Liabilities	5,873,121	5,251,627	11,124,748	-
Deposits	2,895,126	11,482,574	14,377,700	-
Long-term Liabilities:				
Due Within One Year:				
Leases & Subscription Based IT Agreements	401,680	301,220	702,900	-
Equipment Financing Agreements	171,654	138,413	310,067	-
Bonds, Notes, Compensated Absences	5,659,832	10,333,401	15,993,233	-
ARO Liability - Hydro	-	569,859	569,859	-
Pollution Remediation	583,600	-	583,600	-
Due In More Than One Year:				
Pension Liability	1,649,260	-	1,649,260	-
Leases & Subscription Based IT Agreements	4,857,796	2,856,850	7,714,646	-
Equipment Financing Agreements	4,172,473	83,003	4,255,476	-
Loan Payable	-	7,150,831	7,150,831	-
Bonds, Notes, Compensated Absences	44,178,929	288,213,236	332,392,165	-
ARO Liability - Solar	-	350,000	350,000	-
Total Liabilities	90,322,263	346,975,700	437,297,963	-
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Taxes	46,314,200	-	46,314,200	-
Lease Revenue	772,387	6,522,657	7,295,044	-
Total Deferred Inflows of Resources	47,086,587	6,522,657	53,609,244	-
NET POSITION				
Net Investment in Capital Assets	562,188,580	707,177,408	1,269,365,988	247,260
Restricted - Nonspendable	4,235,165	-	4,235,165	-
Restricted:				
Future Capital Improvements	-	90,098,070	90,098,070	-
Tabor 3% Emergency Reserve	3,882,282	-	3,882,282	-
Conservation Trust Fund	5,909,324	-	5,909,324	-
Open Space Acquisitions	9,546,628	-	9,546,628	-
Fire and Rescue	16,465,937	-	16,465,937	-
Urban Revitalization	7,787,264	-	7,787,264	-
Capital and Operating Grants	6,576,041	-	6,576,041	-
Other Purposes	5,000,292	-	5,000,292	-
Unrestricted	148,801,280	93,510,874	242,312,154	104,591
Total Net Position	$ 770,392,793	$ 890,786,352	$ 1,661,179,145	$ 351,851

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, 2025

Function/Program Activities	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants & Contributions	Program Revenues: Capital Grants & Contributions
Functions:				
Governmental Activities:				
City Manager	$ 5,763,298	$ 11,342	$ 550,962	$ -
Legislative	551,173	-	-	-
City Attorney	2,008,032	-	-	-
City Clerk	833,367	85,165	-	-
Municipal Court	1,189,387	1,537,534	4,701	-
Finance	7,186,349	219,653	-	-
Human Resources	2,093,942	-	(35,607)	-
Information Technology	7,464,291	219,111	8,000	-
Economic Development	3,051,697	236,630	108,259	-
Development Services	6,528,819	4,095,624	76,395	-
Public Works	44,762,292	21,950,329	6,117,541	21,806,654
Police	39,577,578	2,107,696	625,731	-
Fire and Rescue	32,601,983	6,209,792	27,210,112	500,000
Parks & Recreation	19,035,383	7,905,508	29,474	3,026,877
Library	3,705,256	215,109	483,498	-
Cultural Services	2,937,548	902,187	158,995	-
General Government	25,628,026	391,545	655,932	-
Interest on long term debt	1,663,900	-	-	-
Total Governmental Activities	**206,582,321**	**46,087,225**	**35,993,993**	**25,333,531**
Business-type Activities:				
Water	25,588,978	28,682,335	827,802	8,260,124
Wastewater	19,213,569	20,058,370	41,811	2,216,518
Stormwater	6,631,306	12,523,319	-	5,882,963
Electric & Communications	107,449,720	110,672,977	188,003	18,459,830
Solid Waste	11,478,096	12,237,271	-	5,000
Golf	5,040,381	7,377,051	-	-
Total Business-type Activities	**175,402,050**	**191,551,323**	**1,057,616**	**34,824,435**
City Total	**$ 381,984,371**	**$ 237,638,548**	**$ 37,051,609**	**$ 60,157,966**
Component Units:				
Downtown Development Authority	335,642	403,170	-	-
Total Component Units	$ 335,642	$ 403,170	$ -	$ -

General Revenues:
Taxes:
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 as previously reported
Adjustment - change in financial reporting entity (note 18)
Net Position - Beginning, restated
Net Position - Ending

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

Net (Expenses) Revenue and Change in Net Position			
Governmental Activities	Business-Type Activities	Totals	Component Units
$ (5,200,994)	$ -	$ (5,200,994)	$ -
(551,173)	-	(551,173)	-
(2,008,032)	-	(2,008,032)	-
(748,202)	-	(748,202)	-
352,848	-	352,848	-
(6,966,696)	-	(6,966,696)	-
(2,129,549)	-	(2,129,549)	-
(7,237,180)	-	(7,237,180)	-
(2,706,808)	-	(2,706,808)	-
(2,356,800)	-	(2,356,800)	-
5,112,232	-	5,112,232	-
(36,844,151)	-	(36,844,151)	-
1,317,921	-	1,317,921	-
(8,073,524)	-	(8,073,524)	-
(3,006,649)	-	(3,006,649)	-
(1,876,366)	-	(1,876,366)	-
(24,580,549)	-	(24,580,549)	-
(1,663,900)	-	(1,663,900)	-
(99,167,572)	**-**	**(99,167,572)**	**-**
-	12,181,283	12,181,283	-
-	3,103,130	3,103,130	-
-	11,774,976	11,774,976	-
-	21,871,090	21,871,090	-
-	764,175	764,175	-
-	2,336,670	2,336,670	-
-	**52,031,324**	**52,031,324**	**-**
(99,167,572)	**52,031,324**	**(47,136,248)**	**-**
			67,528
			67,528
40,612,966	-	40,612,966	-
72,677,289	-	72,677,289	-
1,909,584	-	1,909,584	-
1,309,518	-	1,309,518	-
8,430,779	10,440,359	18,871,138	-
117,555	570,740	688,295	-
277,248	(277,248)	-	-
125,334,939	10,733,851	136,068,790	-
26,167,367	62,765,175	88,932,542	67,528
744,509,749	828,021,177	1,572,530,926	-
(284,323)	-	(284,323)	284,323
744,225,426	828,021,177	1,572,246,603	284,323
770,392,793	890,786,352	1,661,179,145	351,851

City of Loveland, Colorado
Balance Sheet
Governmental Fund Types
December 31, 2025

	General	Loveland Urban Renewal Authority	Transportation	Capital Expansion Fees
ASSETS				
Cash	$ 10,834	$ -	$ -	$ -
Equity in Pooled Cash	1,517,153	1,132,818	3,819,257	8,974,258
Equity in Pooled Investments	35,479,718	-	8,046,060	40,296,339
Receivables (Net):				
Taxes	25,628,310	26,958,297	21,539	-
Accounts	1,698,486	275,308	908,624	-
Grants	581,931	-	2,716,100	3,471
Lease Receivable	-	-	-	126,916
Due from Other Funds	353,791	-	7,833,192	-
Accrued Interest	207,765	29,125	45,062	249,747
Interfund Loan Receivables	10,689	-	-	567,115
Inventory	-	-	679,920	-
Prepaid items	5,445	-	-	-
Equity in Pooled Restricted Cash	2,033,535	5,292,042	-	-
Total Assets	**67,527,657**	**33,687,590**	**24,069,754**	**50,217,846**
LIABILITIES				
Accounts Payable	4,908,416	2,708,240	4,465,289	104,564
Accrued Liabilities	2,709,213	-	345,402	4,002
Due to Other Funds	5,771,055	-	-	-
Interfund Loan Payable	34,244	551,343	-	-
Total Liabilities	**13,422,928**	**3,259,583**	**4,810,691**	**108,566**
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	17,956,726	26,953,423	-	-
Leases	-	-	-	119,864
Unavailable Other Revenue	485,277	-	3,127,584	3,471
Total Deferred Inflows of Resources	**18,442,003**	**26,953,423**	**3,127,584**	**123,335**
Total Liabilities and Deferred Inflows of Resources	31,864,931	30,213,006	7,938,275	231,901
Fund Balances:				
Nonspendable	5,445	-	679,920	-
Restricted	5,401,182	3,474,584	-	-
Committed	1,338,976	-	15,451,559	49,985,945
Assigned	-	-	-	-
Unassigned	28,917,123	-	-	-
Total Fund Balances	35,662,726	3,474,584	16,131,479	49,985,945
Total Liabilities and Fund Balances	**$ 67,527,657**	**$ 33,687,590**	**$ 24,069,754**	**$ 50,217,846**

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

City of Loveland, Colorado
Balance Sheet
Governmental Fund Types
December 31, 2025

	Loveland Fire Rescue Authority	Capital Project Funds	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash	$ -	$ -	$ 600	$ 11,434
Equity in Pooled Cash	3,685,877	3,128,631	6,647,241	28,905,235
Equity in Pooled Investments	12,489,589	3,856,536	18,386,272	118,554,514
Receivables (Net):				
Taxes	-	-	2,048,846	54,656,992
Accounts	1,207,418	54,575	132,197	4,276,608
Grants	-	2,240,765	1,365,019	6,907,286
Lease Receivable	-	-	738,878	865,794
Due from Other Funds	-	-	-	8,186,983
Accrued Interest	131,473	34,130	145,689	842,991
Interfund Loan Receivables	-	-	-	577,804
Inventory	-	-	55,417	735,337
Prepaid items	-	-	-	5,445
Equity in Pooled Restricted Cash	858,864	-	14,313,447	22,497,888
Total Assets	**18,373,221**	**9,314,637**	**43,833,606**	**247,024,311**
LIABILITIES				
Accounts Payable	641,397	7,403,889	507,058	20,738,853
Accrued Liabilities	1,265,887	-	122,895	4,447,399
Due to Other Funds	-	-	2,087,137	7,858,192
Interfund Loan Payable	-	-	-	585,587
Total Liabilities	**1,907,284**	**7,403,889**	**2,717,090**	**33,630,031**
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	-	-	1,404,051	46,314,200
Leases	-	-	652,523	772,387
Unavailable Other Revenue	-	2,240,765	1,355,828	7,212,925
Total Deferred Inflows of Resources	**-**	**2,240,765**	**3,412,402**	**54,299,512**
Total Liabilities and Deferred Inflows of Resources	1,907,284	9,644,654	6,129,492	87,929,543
Fund Balances:				
Nonspendable	-	-	4,290,582	4,975,947
Restricted	16,465,937	-	30,722,156	56,063,859
Committed	-	-	1,956,019	68,732,499
Assigned	-	-	822,619	822,619
Unassigned	-	(330,017)	(87,262)	28,499,844
Total Fund Balances	16,465,937	(330,017)	37,704,114	159,094,768
Total Liabilities and Fund Balances	**$ 18,373,221**	**$ 9,314,637**	**$ 43,833,606**	**$ 247,024,311**

City of Loveland, Colorado
Reconciliation of the Balance Sheet To
the Government-wide Statement of Net Position
December 31, 2025

Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets and lease assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	593,121,565
City's joint venture equity interest in Northern Colorado Regional Airport	17,518,674
City's Net Pension Liability	(1,649,260)
Certain deferred inflows of resources represent unavailable revenue which revenue does not represent current available resources. These revenues are eliminated at the activity level.	7,212,927
Certain deferred outflows/inflows of resources represent deferred expenses relating to pension expenses	149,371
Pollution Remediation	(583,600)
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.	54,667,259
Leases and Subscriptions Payable	(5,190,414)
Long-term liabilities are not due and payable in the current period and are not reported in the funds. (Accrued Leave $7,657,606, Certificates of Participation $25,905,352, Financing Agreement, $9,495,000, Equipment Financing Agreements, $4,344,127, Bank Loan, $824,430 and developer oversizing agreements $5,721,982)	(53,948,497)
Net Position of Governmental Activities	$ 770,392,793

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City of Loveland, Colorado
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Fund Types
For the Year Ended December 31, 2025

	General	Loveland Urban Renewal Authority	Transportation	Capital Expansion Fees	Loveland Fire Rescue Authority
Revenues:					
Taxes	$ 87,708,190	$ 22,758,462	$ 89,568	$ -	$ -
Licenses and Permits	4,273,284	-	397,573	-	883,258
Fines and Penalties	469,960	-	-	-	-
Intergovernmental	2,721,231	30,142	6,237,303	653,591	27,666,008
Charges for Services	7,379,764	-	5,578,900	5,108,226	1,648,559
Investment Earnings (Loss)	2,230,691	259,368	430,301	2,446,199	1,051,333
Payment in Lieu of Taxes	11,260,481	-	-	-	-
Miscellaneous	2,049,938	-	211,126	64,537	3,737,036
Total Revenues	118,093,539	23,047,972	12,944,771	8,272,553	34,986,194
Expenditures:					
Current:					
Legislative	551,173	-	-	-	-
City Manager	4,632,843	-	-	-	-
City Attorney	1,985,117	-	-	-	-
City Clerk	811,771	-	-	-	-
Municipal Court	1,170,690	-	-	-	-
Finance	6,967,742	-	-	-	-
Human Resources	2,076,350	-	-	-	-
Information Technology	6,019,102	-	-	-	-
Economic Development	1,479,351	-	-	-	-
Development Services	3,712,430	-	-	-	-
Public Works	10,774,718	-	14,398,843	-	-
Police	36,393,776	-	-	1,694,752	-
Fire	-	-	-	-	28,880,959
Parks & Recreation	12,162,269	-	-	95,692	-
Library	3,110,499	-	-	1,551	-
Cultural Services	2,598,347	-	-	9,858	-
General Government	9,581,661	22,403,669	-	12,330	-
Capital Outlay	1,328,259	-	21,389,801	2,581,192	8,638,881
Debt service					
Principal	851,262	-	-	-	1,181,913
Interest and debt service costs	664,099	24,452	31,124	-	242,025
Total Expenditures	106,871,459	22,428,121	35,819,768	4,395,375	38,943,778
Excess (Deficiency) of Revenues Over (Under) Expenditures	11,222,080	619,851	(22,874,997)	3,877,178	(3,957,584)
Other Financing Sources (Uses):					
Transfers In	537,385	-	20,053,244	-	-
Transfers (Out)	(18,874,279)	-	(189,911)	(4,206,402)	(21,158)
Issuance of bond proceeds	-	-	-	-	4,344,786
Total Other Financing Sources (Uses)	(18,336,894)	-	19,863,333	(4,206,402)	4,323,628
Net Change in Fund Balance	(7,114,814)	619,851	(3,011,664)	(329,224)	366,044
Fund Balances - Beginning as previously reported	42,777,540	2,854,733	19,143,143	50,315,169	16,099,893
Adjustment - change in financial reporting entity (note 18)	-	-	-	-	-
Fund Balances - Beginning, restated	42,777,540	2,854,733	19,143,143	50,315,169	16,099,893
Fund Balances--Ending	$ 35,662,726	$ 3,474,584	$ 16,131,479	$ 49,985,945	$ 16,465,937

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

Capital Project Funds	Other Governmental Funds	Total Governmental Funds
$ -	$ 5,953,137	$ 116,509,357
-	-	5,554,115
-	-	469,960
-	4,731,545	42,039,820
-	351,992	20,067,441
227,888	1,784,999	8,430,779
-	-	11,260,481
994,664	490,218	7,547,519
1,222,552	13,311,891	211,879,472
-	-	551,173
-	1,104,920	5,737,763
-	-	1,985,117
-	-	811,771
-	-	1,170,690
-	-	6,967,742
-	-	2,076,350
515,654	12,640	6,547,396
-	1,538,549	3,017,900
-	-	3,712,430
1,052,577	564,986	26,791,124
-	329,602	38,418,130
-	-	28,880,959
-	2,721,213	14,979,174
-	-	3,112,050
-	-	2,608,205
-	67,763	32,065,423
8,085,191	3,215,301	45,238,625
-	454,241	2,487,416
-	702,200	1,663,900
9,653,422	10,711,415	228,823,338
(8,430,870)	2,600,476	(16,943,866)
8,635,788	5,000	29,231,417
(28,663)	(5,601,850)	(28,922,263)
-	12,710,352	17,055,138
8,607,125	7,113,502	17,364,292
176,255	9,713,978	420,426
(506,272)	28,181,572	158,865,778
-	(191,436)	(191,436)
(506,272)	27,990,136	158,674,342
$ (330,017)	$ 37,704,114	$ 159,094,768

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, 2025

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

Net change in fund balances - total governmental funds	$	420,426
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 $45,238,625 exceeded depreciation $25,011,179 in the current period.		20,227,446
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.		20,315,386
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.		(113,892)
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 $1,002,092, an increase for developer oversizing agreements $5,013,778, an increase in the Net Pension Liability and related deferred inflows/outflows $333,017, and a decrease in Pollution Remediation $126,400.		(6,222,487)
Expenses that are recorded for the Airport joint venture in the statement of activities that are not reported as expenses in the funds.		(926,999)
Long-term debt incurred in governmental funds is reported as an other financing source, but is reported as an increase in outstanding long-term debt in the statement of net position and does not affect the statement of activities.		(17,055,138)
Principal payments on long term debt		2,061,117
Lease Assets Transactions		(52,888)
Internal service funds are used by management to charge the costs to various services to individual funds. The net revenue (loss) of certain activities of the internal service funds is reported with governmental funds.		7,514,396
Change in net position of governmental activities	$	26,167,367

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

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City of Loveland, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2025

	Business-Type Activities - Enterprise Funds			
	Water	Waste Water	Stormwater	Electric & Communications
ASSETS				
Current Assets:				
Cash	$ -	$ -	$ -	$ 2,850
Equity in Pooled Cash	2,735,884	5,456,808	2,637,429	11,761,103
Equity in Pooled Investments	10,881,290	16,981,315	6,675,637	23,256,062
Receivables, Net	2,346,172	2,145,172	3,174,344	10,604,838
Lease Receivable	6,569,695	-	-	-
Accrued Interest	235,103	136,361	122,899	320,352
Inventory, at Cost	489,410	7,301	-	15,937,891
Total Current Assets	23,257,554	24,726,957	12,610,309	61,883,096
Non-Current Assets:				
Interfund Loan Receivable	-	-	-	-
Restricted Assets:				
Future Raw Water Projects Restricted Cash	4,667,232	-	-	-
Future Easement Improvements Restricted Cash	-	-	-	-
Equity in Pooled Restricted Cash	46,915,326	49,205,260	11,035,023	18,358,708
Reservoir Improvements Restricted Cash	-	-	-	-
System Impact Fees	-	-	6,956,832	-
Equity in Pooled Restricted Investments	21,517,858	2,071,833	3,889,113	27,910,316
Total Restricted Assets	73,100,416	51,277,093	21,880,968	46,269,024
Capital Assets:				
Land	4,046,605	1,288,656	6,181,999	3,214,969
Water Rights	79,235,236	-	-	-
Intangible Assets/Easements	11,452,681	11,595,917	11,817,218	16,535,435
Buildings	7,208,834	25,579,949	94,184	17,217,836
Lease Assets - Buildings	182,117	-	-	3,395,280
Equipment	5,022,418	5,262,397	3,475,929	9,473,012
Lease Assets - Equipment	-	-	-	-
Software	27,000	-	-	-
Improvements Other Than Buildings	238,792,487	129,041,146	73,478,135	324,013,407
Construction in Progress	100,653,588	6,781,858	38,060,337	36,913,544
Total Capital Assets	446,620,966	179,549,923	133,107,802	410,763,483
Accumulated Depreciation	(83,982,778)	(56,595,042)	(23,936,482)	(111,960,632)
Net Capital Assets	362,638,188	122,954,881	109,171,320	298,802,851
Total Non-Current Assets	435,738,604	174,231,974	131,052,288	345,071,875
Total Assets	458,996,158	198,958,931	143,662,597	406,954,971
Deferred Outflows of Resources:				
Asset Retirement Obligation	-	-	-	216,489

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, 2025
(Continued)

Business-Type Activities - Enterprise Funds			Governmental Activities
Solid Waste	Golf	Totals	Internal Service
$ 1,600	$ 4,200	$ 8,650	$ -
1,545,440	2,053,894	26,190,558	12,237,224
3,869,337	6,546,089	68,209,730	30,991,158
1,147,991	205,221	19,623,738	989,157
-	-	6,569,695	-
24,243	43,837	882,795	211,977
283,644	117,211	16,835,457	729,175
6,872,255	8,970,452	138,320,623	45,158,691
-	-	-	7,783
-	-	4,667,232	-
-	101,096	101,096	-
1,216	-	125,515,533	278,141
-	195,377	195,377	-
-	-	6,956,832	-
17,217	-	55,406,337	-
18,433	296,473	192,842,407	278,141
-	1,055,502	15,787,731	209,516
-	94,500	79,329,736	-
-	-	51,401,251	-
378,098	8,037,319	58,516,220	3,799,602
-	-	3,577,397	148,662
11,808,152	3,879,119	38,921,027	25,469,377
-	-	-	198,983
-	-	27,000	-
232,356	9,885,124	775,442,655	-
3,393,054	2,447,922	188,250,303	596,191
15,811,660	25,399,486	1,211,253,320	30,422,331
(7,362,136)	(14,182,269)	(298,019,339)	(17,435,445)
8,449,524	11,217,217	913,233,981	12,986,886
8,467,957	11,513,690	1,106,076,388	13,272,810
15,340,212	20,484,142	1,244,397,011	58,431,501
-	-	216,489	-

City of Loveland, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2025
(Continued)

	Business-Type Activities - Enterprise Funds			
	Water	Waste Water	Stormwater	Electric & Communications
LIABILITIES				
Current Liabilities:				
Accounts Payable	3,676,903	1,865,233	5,147,656	8,743,379
Accrued Liabilities	1,825,867	1,401,417	442,481	1,264,319
Due to Other Funds	-	-	-	328,791
Deposits	43,722	25,785	-	11,413,067
ARO Liability - Hydro	-	-	-	569,859
Compensated Absences - Current	328,716	253,199	122,035	629,826
Lease Payable - Current	58,478	-	-	242,742
Equipment Financing Agreement - Current	-	-	-	-
Bond Payable - Current	3,026,774	2,083,982	443,522	3,217,851
Total Current Liabilities	8,960,460	5,629,616	6,155,694	26,409,834
Non-Current Liabilities:				
Compensated Absences	268,950	207,163	99,846	515,313
Lease Payable	73,320	-	-	2,783,531
Equipment Financing Agreement	-	-	-	-
Loan Payable	7,150,831	-	-	-
Bond Payable	97,170,300	64,126,820	16,805,676	108,104,773
ARO Liability - Solar	-	-	-	350,000
Total Non-Current Liabilities	104,663,401	64,333,983	16,905,522	111,753,617
Total Liabilities	113,623,861	69,963,599	23,061,216	138,163,451
Deferred Inflows of Resources:				
Lease Revenue	6,522,657	-	-	-
NET POSITION				
Net Investment in Capital Assets	292,149,977	103,954,641	98,623,583	193,437,498
Restricted for Future Capital Improvements	33,519,491	2,432,503	13,581,659	40,249,511
Restricted - Health Claims & Admin	-	-	-	-
Unrestricted	13,180,172	22,608,188	8,396,139	35,321,000
Total Net Position	$ 338,849,640	$ 128,995,332	$ 120,601,381	$ 269,008,009

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, 2025
(Continued)

Business-Type Activities - Enterprise Funds			Governmental Activities
Solid Waste	Golf	Totals	Internal Service
359,787	1,179,989	20,972,947	2,035,066
209,399	108,144	5,251,627	1,425,722
-	-	328,791	-
-	-	11,482,574	-
-	-	569,859	-
122,122	105,374	1,561,272	128,915
-	-	301,220	47,086
-	138,413	138,413	-
-	-	8,772,129	-
691,308	1,531,920	49,378,832	3,636,789
99,919	86,214	1,277,405	105,477
-	-	2,856,851	21,976
-	83,003	83,003	-
-	-	7,150,831	-
-	-	286,207,569	-
-	-	350,000	-
99,919	169,217	297,925,659	127,453
791,227	1,701,137	347,304,491	3,764,242
-	-	6,522,657	-
8,438,585	10,573,124	707,177,408	12,917,824
18,433	296,473	90,098,070	-
-	-	-	278,141
6,091,967	7,913,408	93,510,874	41,471,294
$ 14,548,985	$ 18,783,005	$ 890,786,352	$ 54,667,259

City of Loveland, Colorado
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2025

	Business-Type Activities - Enterprise Funds			
	Water	Waste Water	Stormwater	Electric & Communications
Operating Revenues:				
Charges for Services	$ 24,507,392	$ 19,731,303	$ 12,457,993	$ 108,737,426
Miscellaneous	4,952,955	368,878	65,326	2,123,554
Total Operating Revenues	29,460,347	20,100,181	12,523,319	110,860,980
Operating Expenses:				
Personal Services	8,191,057	6,115,614	2,212,802	12,761,017
Supplies	2,190,276	1,273,529	105,323	950,078
Purchased Services	6,507,885	4,569,860	1,411,100	10,771,671
Purchased Power	-	-	-	57,532,821
Payment for Services	1,601,103	1,282,310	640,793	6,982,311
Depreciation/amortization	4,838,195	4,295,726	1,568,422	11,288,173
Total Operating Expenses	23,328,516	17,537,039	5,938,440	100,286,071
Net Operating Income (loss)	6,131,831	2,563,142	6,584,879	10,574,909
Nonoperating Revenues (Expenses):				
Investment Gain (Loss)	2,866,403	1,967,924	1,485,035	3,511,856
Bond Expenses	(221,673)	(215,370)	(500)	(2,000)
Interest and debt service costs	(2,001,290)	(1,449,693)	(692,366)	(5,055,172)
Gain (Loss) on Sale of Capital Assets	36,350	51,285	40,000	(2,066,627)
Total Nonoperating Revenues (Expense)	679,790	354,146	832,169	(3,611,943)
Net Income (Loss) Before Contributions and Transfers	6,811,621	2,917,288	7,417,048	6,962,966
Capital Contributions:				
System Impact/Development Fees	2,607,021	1,073,907	213,265	3,859,311
Contributed Assets	2,395,366	1,142,611	4,913,921	2,098,942
Aid to Construction	-	-	-	12,215,180
Raw Water Development Fees	968,547	-	-	-
Cash in Lieu of Water Rights	2,198,487	-	-	-
Capital Grant Contributions	90,703	-	755,777	286,397
Transfers In	-	-	-	6,884,188
Transfers (Out)	(3,837,652)	(2,766,434)	(495,836)	(38,569)
Change in Net Position	11,234,093	2,367,372	12,804,175	32,268,415
Total Net Position - Beginning	327,615,547	126,627,960	107,797,206	236,739,594
Total Net Position - Ending	$ 338,849,640	$ 128,995,332	$ 120,601,381	$ 269,008,009

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

Business-Type Activities - Enterprise Funds			Governmental Activities
Solid Waste	Golf	Totals	Internal Service
$ 12,089,159	$ 7,372,101	$ 184,895,374	$ 35,015,891
148,112	4,950	7,663,775	331,196
12,237,271	7,377,051	192,559,149	35,347,087
3,974,094	2,911,633	36,166,217	3,133,151
368,164	605,664	5,493,034	3,369,894
5,257,314	935,423	29,453,253	20,919,933
-	-	57,532,821	-
753,965	-	11,260,482	-
1,106,341	577,365	23,674,222	2,460,427
11,459,878	5,030,085	163,580,029	29,883,405
777,393	2,346,966	28,979,120	5,463,682
279,870	379,062	10,490,150	1,816,558
-	-	(439,543)	-
(18,218)	(10,296)	(9,227,035)	(3,290)
351,225	3,063	(1,584,704)	259,607
612,877	371,829	(761,132)	2,072,875
1,390,270	2,718,795	28,217,988	7,536,557
-	-	7,753,504	-
-	-	10,550,840	9,745
-	-	12,215,180	-
-	-	968,547	-
-	-	2,198,487	-
5,000	-	1,137,877	-
-	-	6,884,188	-
-	(22,945)	(7,161,436)	(31,906)
1,395,270	2,695,850	62,765,175	7,514,396
13,153,715	16,087,155	828,021,177	47,152,863
$ 14,548,985	$ 18,783,005	$ 890,786,352	$ 54,667,259

City of Loveland, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2025

	Business-Type Activities - Enterprise Funds		
	Water	Waste Water	Stormwater
Cash Flows from Operating Activities:			
Cash Received from Customers	$ 24,658,471	$ 19,662,334	$ 12,401,563
Cash Received from Interfund Services	-	-	-
Cash Payments for Goods and Services	(11,511,873)	(7,251,260)	(3,231,268)
Cash Payments to Employees	(8,063,893)	(5,959,502)	(2,145,923)
Other Receipts	4,707,716	372,817	65,320
Net Cash Provided by Operating Activities	9,790,421	6,824,389	7,089,692
Cash Flows from Non-Capital Financing Activities:			
Repayments received on Interfund Loans receivable	-	-	-
Transfers In	-	-	-
Transfers Out	(3,837,652)	(2,766,433)	(495,836)
Net Cash Provided by (used by) Non-Capital Financing Activities	(3,837,652)	(2,766,433)	(495,836)
Cash Flows from Capital and Related Financing Activities			
System Impact/Development Fees	2,607,020	1,074,123	213,265
Proceeds on Sale of Capital Assets	73,850	62,752	40,000
Payments for Capital Acquisition	(18,606,295)	(3,114,041)	(10,154,877)
Payments for Finance Contracts	(47,953)		
Raw Water Development Fees	968,547	-	-
Capital Grant Contributions (payments)	7,458	-	182,815
Due to/Due from			11,914
Cash in Lieu of Water Rights	2,198,487	-	-
Aid to Construction	-	-	-
Debt Principal proceeds (payments)	50,357,983	49,230,802	(375,000)
Bond Expenses	(221,673)	(825)	-
Interest Received (paid)	(1,307,421)	(884,782)	(749,200)
Net Cash Provided by (used by) Capital and Related Financing Activities	36,030,003	46,368,029	(10,831,083)
Cash Flows from Investing Activities:			
Purchase of Investments	(21,208,667)	(14,748,960)	(7,474,863)
Proceeds from Sale of Investments	16,228,510	8,676,618	4,277,509
Investment Earnings	2,241,297	1,645,439	1,271,308
Net Cash Flows Provided by (used by) Investing Activities	(2,738,860)	(4,426,903)	(1,926,046)
Net Increase (Decrease) in Cash and Cash Equivalents	39,243,912	45,999,082	(6,163,273)
Cash and Cash Equivalents - Jan. 1	15,074,530	8,662,986	26,792,557
Cash and Cash Equivalents - Dec. 31	$ 54,318,442	$ 54,662,068	$ 20,629,284
Reconciliation of Operating Income to Net			
Operating Income	$ 6,131,831	$ 2,563,142	$ 6,584,879
Adjustments to Reconcile Operating Income to			
Net Cash Provided (Used) by Operating Activities:			
Depreciation/Amortization	4,838,176	4,295,648	1,568,416
(Increase) Decrease in Accounts Receivable	(6,616,795)	(64,953)	(56,430)
Increase (Decrease)in Inventory	18,711	(485)	-
Increase (Decrease) in Current Liabilities	5,418,498	31,037	(1,007,173)
Increase (Decrease) in Long Term Liabilities	-	-	-
Total Adjustments	3,658,590	4,261,247	504,813
Net Cash Provided by Operating Activities	$ 9,790,421	$ 6,824,389	$ 7,089,692
Noncash Investing, Capital and Financing Activities:			
Contributed Assets from Subdividers	$ 2,395,366	$ 1,142,611	$ 4,913,921
Unrealized Gain on Investments	563,398	269,060	151,346
Capital Outlay in Accounts Payable	2,589,436	1,634,028	1,597,848
Reconciliation of cash and cash equivalents to statement of net position:			
Cash and cash equivalents	2,735,884	5,456,808	2,637,429
Restricted Assets - cash and cash equivalents	51,582,558	49,205,260	17,991,855
	$ 54,318,442	$ 54,662,068	$ 20,629,284

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
$ 108,442,415	$ 11,999,606	$ 7,372,099	$ 184,536,488	$ -
-	-	-	-	34,167,555
(80,431,413)	(6,198,119)	(1,596,258)	(110,220,191)	(24,379,794)
(12,256,465)	(3,910,651)	(2,854,401)	(35,190,835)	(3,122,289)
2,093,153	148,104	4,946	7,392,056	198,893
17,847,690	2,038,940	2,926,386	46,517,518	6,864,365
-	-	-	-	56,022
6,884,189	-	-	6,884,189	-
(38,569)	-	(22,945)	(7,161,435)	(31,906)
6,845,620	-	(22,945)	(277,246)	24,116
3,859,311	-	-	7,753,719	-
39,850	351,225	3,063	570,740	259,607
(31,767,625)	(3,641,847)	(2,202,335)	(69,487,020)	(2,670,355)
(320,620)		(133,659)	(502,232)	(75,753)
-	-	-	968,547	-
237,450	5,000	-	432,723	-
			11,914	
-	-	-	2,198,487	-
15,378,967	-	-	15,378,967	-
(2,710,000)	-	-	96,503,785	-
-	-	-	(222,498)	-
(5,479,135)	-	(10,296)	(8,430,834)	(2,121)
(20,761,802)	(3,285,622)	(2,343,227)	45,176,298	(2,488,622)
(35,211,978)	(1,063,799)	(5,096,368)	(84,804,635)	(21,355,213)
25,777,415	2,792,054	3,010,228	60,762,334	15,042,348
2,637,628	186,692	273,309	8,255,673	1,263,073
(6,796,935)	1,914,947	(1,812,831)	(15,786,628)	(5,049,792)
(2,865,427)	668,265	(1,252,617)	75,629,942	(649,933)
32,988,088	879,991	3,607,184	88,005,336	13,165,298
$ 30,122,661	$ 1,548,256	$ 2,354,567	$ 163,635,278	$ 12,515,365
$ 10,574,909	$ 777,393	$ 2,346,966	$ 28,979,120	$ 5,463,682
11,288,182	1,106,336	577,365	23,674,123	2,460,426
(304,791)	(89,553)	-	(7,132,522)	(848,333)
(1,294,331)	18,464	(29,744)	(1,287,385)	138,912
(2,310,397)	226,300	31,799	2,390,064	(350,322)
(105,882)	-	-	(105,882)	-
7,272,781	1,261,547	579,420	17,538,398	1,400,683
$ 17,847,690	$ 2,038,940	$ 2,926,386	$ 46,517,518	$ 6,864,365
$ 2,098,943	$ -	$ -	$ 10,550,841	$ -
771,671	92,520	92,443	1,940,438	482,862
1,869,050	10,939	422,677	8,123,978	-
11,763,953	1,547,040	2,058,094	26,199,208	12,237,224
18,358,708	1,216	296,473	137,436,070	278,141
$ 30,122,661	$ 1,548,256	$ 2,354,567	$ 163,635,278	$ 12,515,365

City of Loveland, Colorado
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2025

	Special Improvement District No. 1 Custodial Fund
ASSETS	
Equity in Pooled Cash and Cash Equivalents	$ 87,824
Equity in Pooled Investments	257,379
Accrued Interest	1,617
Total Assets	$ 346,820
LIABILITIES	
Accounts Payable	251
Total Liabilities	$ 251
Net Position:	
Restricted For:	
Improvement District	$ 346,569

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, 2025

Additions:		
Special Assessments	$	453,330
Interest		18,793
Miscellaneous		1,575
Total Additions		473,698
Deductions:		
General Administration		2,920
Bond Principal		490,000
Bond Interest		39,390
Trustee Fees		300
Total Deductions		532,610
Net increase (decrease) in fiduciary net position		(58,912)
Net position-beginning		405,481
Net position-ending	$	346,569

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 benefit the City.
3. Loveland Urban Renewal Authority (LURA): This Authority is reported as a Special Revenue Fund. The Authority receives tax increment financing property and sales taxes within its boundaries and uses that revenue source for urban renewal projects. The governing board of LURA consists of City Council, local representatives from each affected county, school district and special district, and one representative appointed by the Mayor. LURA provides services entirely for the City.
4. Loveland Fire Rescue Authority: This Authority is reported as a Special Revenue Fund. The Authority receives revenue for operating and capital expenses primarily from contributions from the City and the Loveland Rural Fire District. Additional revenues are generated from fees charged for services provided by both the Suppression and Prevention Divisions. Expenses are limited to the operations and capital needs of the Authority. The Fund is managed by the Fire Authority, but the Authority has a governing body substantively the same as the City and a financial benefit/burden relationship exists. The Authority also provides a service that almost exclusively benefits the City.

Discretely Presented Component Unit

5. Downtown Development Authority (DDA): The Downtown Development Authority was approved by voters in February 2015 and authorized by the City of Loveland in April 2015 under Colorado State laws. The purpose of the DDA is to halt, prevent, and correct deterioration within the geographic district boundaries and to create and implement development plans for the Loveland Downtown District, utilizing Tax Increment Financing for the completion of authorized projects that are part of a comprehensive development plan. The DDA does not meet any of the blending criteria of GASB Cod 2600-113 and is therefore reported as a discretely presented component unit.

The component unit included in the reporting entity does not issue their own financial statements.

Note 1: Summary of Significant Accounting Policies (continued)

A. Reporting Entity (continued)

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, 2025, ownership was (based on contributed capital): Fort Collins 50%, and Loveland 50%.

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

Financial Information

A summary of financial information is as follows:

As of December 31, 2025	
Total Current Assets	$ 2,547,631
Total Capital Assets (net of accumulated depreciation)	32,692,852
Total Assets	35,240,483
Total Current Liabilities	(203,133)
Total Net Position	**$ 35,037,350**

For the Year Ended December 31, 2025	
Total operating revenue	$ 2,342,038
Total operating expenses	(4,348,719)
Interest income & Federal/State Grants	152,683
Change in Net Position	**$ (1,853,998)**

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.

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

Note 1: Summary of Significant Accounting Policies (continued)

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

Government-Wide and Fund Financial Statements

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

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

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

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

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

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

The City reports the following Major Governmental Funds:

1. General Fund: This is the City's primary operating fund. It accounts for all activities of the general government, except those required to be accounted for in another fund.
2. Loveland Urban Renewal Authority (LURA): This Special Revenue Fund accounts for tax increment financing and operating costs of the Authority.
3. Transportation Fund: This Special Revenue Fund is used to account for all revenues and costs to maintain the existing street infrastructure and the construction of new infrastructure. The primary funding sources are Highway User Tax Funds (HUTF) and other state revenue sharing, the Larimer County Road and Bridge tax revenue sharing, the Transportation Utility Fee, and transfers from other funds
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, 80% and the Loveland Rural Fire District, 20%.
6. Capital Projects Fund: This Fund accounts for the major capital improvements of the City. Most of the revenues are transfers from other funds (87.6%).

Note 1: Summary of Significant Accounting Policies (continued)

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

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 in 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 and the mosquito control program.
6. Golf Fund: This Fund accounts for all the activities necessary for the operation, maintenance and improvements of the City's three golf courses.

Additionally, the City reports the following fund types:

1. Internal Service Fund: This Fund accounts for services provided to other departments or agencies of the City on a cost-reimbursement basis for the employee benefits, risk and insurance, and fleet maintenance.
2. Fiduciary Funds: This fund (Loveland Special Improvement District #1) accounts for the special assessment collection for and debt service of the District's special assessment debt. This fund qualifies as a fiduciary fund under the requirements of GASB Statement No. 84 and is reported on an accrual basis. The fund is accounted for using the economic resources measurement focus. 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. Additions in the fiduciary funds are revenues that are generated from special assessment collections while deductions in the fund are related to the administration of the fund.

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.

Although not qualifying as major funds, the City reports the Capital Expansion Fees fund and Capital Projects fund in the governmental statements as major funds. The City believes these funds are particularly important to financial statement users and allows for consistency with prior year's reporting.

The City also reports the 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 allows for consistency with prior year's reporting.

Reconciliation of the fund financial statements to the government-wide financial statements is provided in the financial statements to explain the differences created by the integrated approach of GASB Statement No. 34.

Note 1: Summary of Significant Accounting Policies (continued)

C. Fair Value

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

D. Property Taxes and Sales Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in the subsequent year in two installments on February 28 and June 15, or in total on April 30. Property taxes are billed and collected by Larimer County, Colorado. Taxes for the following year are normally levied no later than December 15 and are recorded as a receivable with a corresponding offset to deferred inflows.

Sales taxes are due in the subsequent month from collection. Sales tax collected by vendors in December and remitted to the City in January of the following year, are accrued back to December to report the collections in the correct year. All sales tax collected for 2025 has been recorded in 2025. 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 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, 2025, the allowance for uncollectable accounts was $1,351,146. Revenue from grants and donations is recognized in the period in which all eligibility requirements have been satisfied.

G. Inventories

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

H. Leases

The City is a lessor for noncancelable leases of office space and parcels of land. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for the lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

The City is a lessee for noncancelable leases of vehicles, equipment and office space. The City recognizes a lease liability and an intangible right-to-use lease asset in the applicable governmental or business-type activities column in the government-wide financial statements.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The right-to-use asset is initially measured as the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Right-to-use lease assets useful lives are determined by the length of the lease period and are amortized using the straight-line method. The City has elected to use the same capitalization thresholds for leased assets that it uses for those assets purchased. See further discussion under the "Capital Assets" section below.

Key estimates and judgments include how the City determines the discount rate and lease term it uses to discount the expected lease receipts/payments to present value. The City uses the market rate of interest at lease inception as the discount rate for leases. Lease term includes the noncancelable period of the lease. Lease receipts/payments included in the measurement of the lease receivable/payable are composed of fixed payments as outlined in the lease agreement.

I. Subscription Based IT Agreements

The City obtains the right to use vendor's information technology software through various long-term contracts. The City recognizes a subscription liability and an intangible right-to-use subscription asset in the applicable governmental or business-type activities column in the government-wide financial statements.

At the commencement of a subscription, the City initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of the subscription payments made. The right-to-use asset is initially measured as the initial amount of the subscription liability adjusted for subscription payments made at or before the subscription commencement date, plus certain initial implementation costs. Right-to-use subscription assets useful lives are determined by the length of the subscription period and are amortized using the straight-line method. See further discussion under the "Capital Assets" section below.

Key estimates and judgments include how the City determines the discount rate and subscription term it uses to discount the expected subscription payments to present value. The City uses the market rate of interest at the subscription's inception as the discount rate. The subscription's term includes the noncancelable period of the subscription. Subscription payments included in the measurement of the subscription payable are composed of fixed payments as outlined in the subscription.

J. Capital Assets

All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated acquisition value on the acquisition date. The City's policy is to record all capital assets with an initial cost of at least $10,000. 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 2025, the three-year cycle of physical inventories included Wastewater, Municipal Fiber, Stormwater, Perpetual care/Cemetery, Fire, and Conservation Trust.

Note 1: Summary of Significant Accounting Policies (continued)

J. Capital Assets (continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the useful lives of the related capital assets, as applicable. Public domain ("infrastructure") capital assets consisting of roads, streets and sidewalks, bridges and lighting and traffic signal systems are capitalized as a separate category. As used in this section, the term depreciation includes amortization of intangible assets.

Assets are depreciated using the six-month convention method on a straight-line basis. Depreciation expense is reflected as an operating expense in the government-wide statement of activities and proprietary funds.

Estimated useful lives for asset types are as follows:

Buildings	20-50 years	Lease assets-Buildings	5-50 years
Improvements Other Than Buildings	12-50 years	Lease assets-Equipment	2-10 years
Equipment	3-20 years	Infrastructure	10-100 years
Computer Software	5-10 years	Subscription based IT Agreements	3-5 years

K. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and compensation time balances. All accumulated vacation, less than or equal to the maximum accrual, and compensation time balances are paid to the employee upon separation of service. The compensated absence liabilities are reported in the government-wide and proprietary fund financial statements. A leave liability is recognized due to the leave attributable to services already rendered, leave that accumulates, and leave that is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

L. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable Governmental Activities, Business- Type Activities, or Proprietary Fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Issuance costs are reported as debt service expenses.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, as sources or uses in the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

M. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets or fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Note 1: Summary of Significant Accounting Policies (continued)

N. Fund Balance/Net Position

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.

In the government-wide and proprietary fund financial statements, net position represents the difference between assets and deferred outflows of resources, less liabilities and deferred inflows of resources. Net position is reported in three categories.

Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Unspent proceeds are shown as an increase in the net investment in capital assets.

Restricted net position consists of restricted assets reduced by certain liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.

Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that do not meet the definition of the two preceding categories.

When unassigned and restricted, committed, or assigned fund balances are available for use, it is the City's policy to use restricted, committed, or assigned resources before unassigned resources.

O. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 1: Summary of Significant Accounting Policies (continued)

P. Upcoming Accounting Pronouncements

In April 2024, the Governmental Accounting Standards Board issued Statement No. 103, Financial Reporting Model Improvements. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The provisions of this statement are effective for the City's financial statements for the year ending December 31, 2026.

In September 2024, the Governmental Accounting Standards Board issued Statement No. 104, Disclosure of Certain Capital Assets. The Statement requires certain types of capital assets, such as lease assets, intangible right-to-use assets, subscription assets, and other intangible assets to be disclosed separately by major class of underlying asset in the capital assets note. The Statement also requires additional disclosures for capital assets held for sale. The provisions of this statement are effective for the City's financial statements for the year ending December 31, 2026.

In December 2025, the Governmental Accounting Standards Board issued Statement No. 105, Subsequent Events. The requirements of this Statement are effective for fiscal years beginning after June 15, 2026. The objective of this Statement is to improve the financial reporting requirements for subsequent events. These improvements will enhance the consistency of the application of subsequent events to better meet the needs of user of the financial statements. The provisions of this statement are effective for the City's financial statements for the year ending December 31, 2027.

Note 2: Cash and Investments

Cash and investments at December 31, 2025, consisted of the following:

Deposits	$ 227,653,024
Investments	273,419,118
Total	$ 501,072,142

Deposits and investments are displayed within this report as follows:

Cash	$ 20,084
Equity in Pooled Cash and Cash Equivalents	67,333,017
Equity in Pooled Investments	217,755,402
Equity in Restricted Cash	160,212,099
Equity in Restricted Investments	55,406,337
Equity in Pooled Cash and Cash Equivalents - Fiduciary Fund	87,824
Equity in Pooled Investments Fiduciary Fund	257,379
Total	$ 501,072,142

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 $133,627,080 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 an 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 $41,916,371 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, 2025:

- U.S. Treasury securities of $142,500,431 are valued using quoted market prices (Level 1 inputs)
- U.S. Agency securities of $77,371,757 are valued using matrix pricing techniques (Level 2 inputs)
- Corporate Bonds of $32,907,270 are valued using matrix pricing techniques (Level 2 inputs)
- Commercial Paper of $20,639,660 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, 2025, the City had $99,409,473 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, 2025, 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	51,977,977	50,003,291	40,385,023	142,366,291
U.S. Agency Securities	AA+	24,627,687	24,741,514	27,929,723	77,298,924
Corporate Bonds	AA-/A/A+/AA/AA+	-	32,876,293	-	32,876,293
Commercial Paper	AA/AA+	20,620,231	-		20,620,231
Total		$ 97,225,895	$ 107,621,098	$ 68,314,746	$ 273,161,739
Fiduciary Funds					
U.S. Treasury Notes	N/A	48,975	47,114	38,051	134,140
U.S. Agency Securities	AA+	23,205	23,312	26,316	72,833
Corporate Bonds	AA-/A/A+/AA/AA+	-	30,977	-	30,977
Commercial Paper	AA/AA+	19,429	-		19,429
Total		$ 91,609	$ 101,403	$ 64,367	$ 257,379

Note 2: Cash and Investments (continued)

D. Investments (continued)

1. Local Government Investment Pools: At December 31, 2025, the City had $41,916,371 invested in Colotrust and $133,627,080 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 statutes and the City's Investment Policy limit investments in corporate bonds and Foreign Issues to a minimum credit rating of "AA- or Aa3" by two or more NRSROs.
4. Custodial Credit Risk: The City's Investment Policy requires that securities purchased from any bank or dealer, including appropriate collateral, be placed with an independent third party for custodial safekeeping. The City has entered into an agency agreement with US Bank-Denver to establish an Investment Management Account pursuant to Colorado Revised Statutes. The City's pooled cash is invested in this account. The Bank purchases investments for the City and maintains an internal accounting record of all investments of the City. All investment transactions are approved by City management. All investments, held and maintained by the Trust Department of the Bank, are specifically separate from the investments of the bank and are identified as being investments of the City of Loveland. Investments of Loveland Special Improvement District #1 are held by other banks in their Trust Departments and are also specifically identified as being investments of the City of Loveland.
5. Concentration of Credit Risk: The City's Investment Policy does not limit the amount the City may invest in one issuer. The City had investments in US agency securities greater than 5% of its total portfolio as follows: US Treasury Notes (52.12%), Federal Home Loan Bank (22.88%), and Federal Farm Credit Bank (5.42%).

E. Restricted Investments

Investments of $55,406,337 have been restricted in the Water Fund, Wastewater Fund, Stormwater Fund, Solid Waste Fund and the Electric & Communications Fund for capital projects.

Note 3: Interfund Receivables, Payables, And Transfers

Interfund balances at December 31, 2025, were as follows:

Due From	Due To	Amount	
Electric & Communications	General Fund	$	328,791
Nonmajor Governmental Funds	General Fund	$	25,000
General Fund	Transportation	$	5,771,055
Nonmajor Governmental Funds	Transportation	$	2,062,137

Advance From	Advance To	Original Amount	Principal Payments	Principal Balance at December 31, 2025
CEF Fund	Loveland Urban Renewal	$ 900,000	$ 713,911	$ 186,089
CEF Fund	Loveland Urban Renewal	1,500,000	1,235,381	264,619
General Fund	Loveland Urban Renewal	63,100	52,411	10,689
CEF Fund	General Fund	1,700,000	1,673,539	26,461
Fleet Fund	General Fund	500,000	492,217	7,783
CEF Fund	Loveland Urban Renewal	$ 366,000	$ 276,054	$ 89,946

In 2013, City Council approved an interfund loan of $1,500,000 from the CEF Fund to the Loveland Urban Renewal Authority to help fund a mixed-use building in the downtown area. The entire $1,500,000 was moved over to LURA in 2013, but interest will only be charged on the portion of funds given to the developer - $500,000 in 2013 and $1,000,000 in 2014. The interest is set; it will not be based on the City's annual return on its investment portfolio. In this same Council action, LURA agreed to reimburse the General Fund for waived material use tax, phase II environmental study, and a blight study and plan amendment at 3% for 14 years totaling $63,100. LURA also agreed to repay $900,000 to the Museum CEF for the land purchased for the project. The payments began in 2017 on this loan.

Loveland Urban Renewal Authority
Payment Schedule

	Beginning Balance	Principal	Interest	Total Payment
2026	264,619	131,643	7,939	**139,582**
2027	132,976	132,976	4,028	**137,004**
Total		**$ 264,619**	**$ 11,967**	**$ 276,586**

Loveland Urban Renewal Authority
Payment Schedule

	Beginning Balance	Principal	Interest	Total Payment
2026	10,689	5,266	320	**5,586**
2027	5,423	5,423	163	**5,586**
Total		**$ 10,689**	**$ 483**	**$ 11,172**

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

Loveland Urban Renewal Authority Payment Schedule

	Beginning Balance	Principal	Interest	Total Payment
2026	186,089	91,686	5,664	**97,350**
2027	94,403	94,403	2,914	**97,317**
Total		**$ 186,089**	**$ 8,578**	**$ 194,667**

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

Economic Incentive Fund Payment Schedule

	Beginning Balance	Principal	Interest	Total Payment
2026	34,244	34,244	1,027	**35,271**
Total		**$ 34,244**	**$ 1,027**	**$ 35,271**

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
2026	89,946	44,308	2,699	**47,007**
2027	45,638	45,638	1,369	**47,007**
Total		**$ 89,946**	**$ 4,068**	**$ 94,014**

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

Transfers between funds were as follows:

	Transfers In: General	Capital Projects	Transportation	Electric and Communications	Non-Major Governmental Funds	Total
Transfers Out:						
General		$ 6,313,243	$ 12,561,036			$ 18,874,279
Capital Projects	28,663					28,663
Transportation	189,911					189,911
CEF's	5,912	1,886,636	2,313,854			4,206,402
Loveland Fire Rescue Authority	21,158					21,158
Water	115,317			3,720,585	1,750	3,837,652
Wastewater	5,749			2,760,435	250	2,766,434
Electric & Communications	35,569				3,000	38,569
Stormwater	91,833	404,003				495,836
Golf	22,945					22,945
Non-Major Governmental Funds	20,328		5,178,354	403,168		5,601,850
Internal Services	-	31,906				31,906
	$ 537,385	$ 8,635,788	$ 20,053,244	$ 6,884,188	$ 5,000	$ 36,115,605

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 reasons:

The General Fund transferred $12,561,036 to the Transportation Fund for various street capital projects throughout the City and to fund various ongoing street capital projects carried forward to future years. The General Fund also transferred $6,313,243 to the Capital Projects Fund for various capital projects in the City. The DDA TIF fund transferred $5,173,352 to the Transportation Fund to cover expenditures related to the "Heart Improvement Program" (HIP) streets project within the historic core of downtown Loveland.

Note 4: Capital Assets

Capital asset activity for the year ended December 31, 2025, was as follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Reclasses/ Transfers	Ending Balance
Capital Assets, not being depreciated					
Land	$ 74,335,936	$ 200,000	$ -	$ -	$ 74,535,936
Easements	10,818,940	1,024,598	-	-	11,843,538
Water Rights	2,968,488	14,020	-	-	2,982,508
Art Collection	9,269,738	179,633	-	9,500	9,458,871
Construction in Progress	52,915,822	24,481,640	305,795	(35,245,606)	41,846,061
Total Capital Assets, not being depreciated	150,308,924	25,899,891	305,795	(35,236,106)	140,666,914
Capital Assets, being depreciated					
Buildings	129,989,943	7,067,262	-	10,300,665	147,357,870
Lease Assets - Buildings	4,843,348	-	-	-	4,843,348
Equipment	69,842,635	8,004,429	1,866,746	2,763,070	78,743,388
Lease Assets - Equipment	272,164	30,246	42,935	-	259,475
SBITA Assets	1,932,164	-	56,401	-	1,875,763
Improvements Other Than Buildings	85,310,453	1,469,211	-	7,225,527	94,005,191
Infrastructure	416,424,334	26,311,477	3,245,453	14,946,844	454,437,202
Total Capital Assets, being depreciated	708,615,041	42,882,625	5,211,535	35,236,106	781,522,237
Less accumulated depreciation for:					
Buildings	45,095,216	3,979,007	-	-	49,074,223
Lease Assets - Buildings	278,448	126,835	-	-	405,283
Equipment	44,453,357	6,064,794	1,674,548	-	48,843,603
Lease Assets - Equipment	175,383	81,295	42,935	-	213,743
SBITA Assets	996,090	342,615	36,232	-	1,302,473
Improvements Other Than Buildings	43,654,651	3,814,488	-	-	47,469,139
Infrastructure	158,475,968	13,541,721	3,245,453	-	168,772,236
Total Accumulated Depreciation	293,129,113	27,950,755	4,999,168	-	316,080,700
Total capital assets, being depreciated, net	415,485,928	14,931,870	212,367	35,236,106	465,441,537
Governmental activities capital assets, net	**$ 565,794,852**	**$ 40,831,761**	**$ 518,162**	**$ -**	**$ 606,108,451**

Business-type Activities	Beginning Balance	Increases	Decreases	Reclasses/ Transfers	Ending Balance
Capital Assets, not being depreciated					
Land	$ 15,787,730	$ -	$ -	$ -	$ 15,787,730
Easements	46,153,897	5,247,357	-	-	51,401,254
Water Rights	78,556,475	773,261	-	-	79,329,736
Construction in Progress	165,498,002	54,358,112	-	(31,605,812)	188,250,302
Total Capital Assets, not being depreciated	$ 305,996,104	$ 60,378,730	$ -	$ (31,605,812)	334,769,022
Capital Assets, being depreciated					
Buildings	46,315,787	12,086,891	-	113,542	58,516,220
Lease Assets - Buildings	3,577,397	-	-	-	3,577,397
Equipment	38,548,471	3,618,362	5,057,151	1,811,346	38,921,028
Software	-	27,000	-	-	27,000
Improvements Other Than Buildings	202,991,398	4,845,950	252,308	9,079,694	216,664,734
Infrastructure	536,518,824	7,207,167	5,549,292	20,601,230	558,777,929
Total Capital Assets, being depreciated	$ 827,951,877	$ 27,785,370	$ 10,858,751	$ 31,605,812	876,484,308
Less accumulated depreciation for:					
Buildings	11,745,815	1,387,889	-	-	13,133,704
Lease Assets - Buildings	210,832	369,368	-	-	580,200
Equipment	27,403,025	3,119,103	5,054,899	-	25,467,229
Software	-	4,500	-	-	4,500
Improvements Other Than Buildings	84,157,518	5,067,714	234,453	-	88,990,779
Infrastructure	159,531,243	13,725,648	3,413,955	-	169,842,936
Total Accumulated Depreciation	$ 283,048,433	$ 23,674,222	$ 8,703,307	$ -	298,019,348
Total capital assets, being depreciated, net	544,903,444	4,111,148	2,155,444	31,605,812	578,464,960
Business-type activities capital assets, net	**$ 850,899,548**	**$ 64,489,878**	**$ 2,155,444**	**$ -**	**$ 913,233,982**

Note 4: Capital Assets (continued)

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

Governmental Activities		
Library		582,759
Finance		64,710
Information Technology		885,705
Development Services		2,759,479
Public Works		12,998,094
Police		1,140,531
Fire		2,553,036
Parks & Recreation		4,020,900
Cultural Services		307,163
Nondepartmental		177,951
Internal Service Fund		2,460,427
Total Governmental Activities	**$**	**27,950,755**

Business-Type Activities		
Water	$	4,838,195
Wastewater		4,295,726
Stormwater		1,568,422
Electric & Communications		11,288,173
Solid Waste		1,106,341
Golf		577,365
Total Business-Type Activities	**$**	**23,674,222**

Discretely Presented Component Units

Activity for the Downtown Development Authority for the year ended December 31, 2025, was as follows:

Governmental Activities	**Beginning Balance**	**Increases**	**Decreases**	**Reclasses/ Transfers**	**Ending Balance**
Capital Assets, not being depreciated					
Construction in Progress	12,115	-	-	(12,115)	$ -
Total Capital Assets, not being depreciated	12,115	-	-	(12,115)	-
Capital Assets, being depreciated					
Improvements Other Than Buildings	89,747	164,778	-	12,115	266,640
Total Capital Assets, being depreciated	89,747	164,778	-	12,115	266,640
Less accumulated depreciation for:					
Improvements Other Than Buildings	8,975	10,405	-	-	19,380
Total Accumulated Depreciation	8,975	10,405	-	-	19,380
Total capital assets, being depreciated, net	80,772	154,373	-	12,115	247,260
Governmental activities capital assets, net	**$ 92,887**	**$ 154,373**	**$ -**		**$ 247,260**

Depreciation expense was charged to the Downtown Development Authority in the amount of $10,405.

Note 5: Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2025 was as follows:

	Balance 12/31/2024	Additions	Reductions	Balance 12/31/2025	Due Within One Year
Governmental Activities					
Compensated Absences	$ 6,896,533	$ 995,464	$ -	$ 7,891,997	$ 4,340,598
Certificates of Participation - 2017	13,985,000	-	425,000	13,560,000	435,000
Certificates of Participation - 2025	-	12,060,000	365,000	11,695,000	265,000
Premium on COPs - 2025	-	650,352	-	650,352	27,098
Direct Placement Debt:					
Construction Financing Agreement	$ 9,980,000	$ -	$ 485,000	$ 9,495,000	$ 500,000
Equipment Financing Agreement - 2021	696,254	-	167,086	529,168	171,654
Equipment Financing Agreement - 2025	-	4,344,786	529,827	3,814,959	-
Loan Agreement	913,634	-	89,204	824,430	92,136
Pollution Remediation	$ 710,000	$ 55,000	$ 181,400	$ 583,600	$ 583,600
Oversizing Agreements	708,204	5,013,778	-	5,721,982	-
Lease and Subscription Based IT Agreements	5,730,076	30,246	500,846	5,259,476	401,680
Total	$ 39,619,701	$ 23,149,626	$ 2,743,363	$ 60,025,964	$ 6,816,766
Business-Type Activities					
Electric & Communication Bonds - 2019	$ 81,135,000	$ -	$ 2,710,000	$ 78,425,000	$ 2,795,000
Premium on Bonds	8,068,550	-	405,115	7,663,435	405,115
Water Enterprise Bonds - 2021	48,240,000	-	1,480,000	46,760,000	1,540,000
Premium on Bonds	6,869,920	-	318,298	6,551,622	318,298
Stormwater Bonds - 2024	16,490,000	-	375,000	16,115,000	395,000
Premium on Bonds	1,182,720	-	48,522	1,134,198	48,522
Electric & Communication Bonds - 2024	24,810,000	$ -	-	24,810,000	-
Premium on Bonds	441,927	-	17,736	424,191	17,736
Water Enterprise Bonds - 2025	-	43,630,000	-	43,630,000	915,000
Premium on Bonds	-	1,586,898	26,448	1,560,450	63,476
Wastewater Enterprise Bonds - 2025	-	48,490,000	$ -	48,490,000	1,020,000
Premium on Bonds	-	1,724,544	28,742	1,695,802	68,982
Direct Placement Debt:					
Water Bonds	$ 1,880,000	$ -	$ 185,000	$ 1,695,000	$ 190,000
Wastewater Bonds	16,980,000	-	955,000	16,025,000	995,000
Equipment Financing Agreement	355,075	-	133,659	221,416	138,413
Loan Agreement	-	7,150,831	-	7,150,831	-
Lease Agreements	3,427,346	-	269,276	3,158,070	301,220
ARO Liability-Hydro	675,741	-	105,882	569,859	569,859
ARO Liability-Solar	350,000	-	-	350,000	-
Compensated Absences	2,405,842	432,835	-	2,838,677	1,561,272
Oversizing Agreements	171,658	629,822	73,218	728,262	-
Total	$ 213,483,779	$ 103,644,930	$ 7,131,896	$ 309,996,813	$ 11,342,893

The change in compensated absences is shown net here, as prescribed by GASB 101.

A. Certificates of Participation

The City issued Certificates of Participation on March 14, 2017, for the construction of a Parking Facility located at the downtown Foundry project and for other public improvements. The certificates bear an interest rate of 3.39% for fifteen years. The amount of the proceeds was $15,900,000. 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, and (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)

In 2025, the City issued Certificates of Participation for the Heart Improvement Plan (HIP Street Improvements) that includes certain street and sidewalk improvements within the historic core of downtown Loveland. The certificates bear an interest rate of 5.00% for fifteen years. The amount of the proceeds was $12,060,000. The debt is secured by the initial leased property of the City's Public Works Building.

Certificates of Participation		
	Governmental Activities	
Year	Principal	Interest
2026	700,000	1,022,565
2027	730,000	994,399
2028	755,000	965,139
2029	790,000	934,707
2030	815,000	902,930
2031-2035	13,085,000	2,849,695
2036-2040	2,370,000	1,778,125
2041-2045	3,030,000	1,122,875
2046-2049	2,980,000	342,675
Total	**$ 25,255,000**	**$ 10,913,110**

B. Loan Agreements

In January 2021 the DDA entered into a reimbursement agreement for eligible public improvements at the Cleveland Station project located at the southeast corner of 5th Street and Cleveland for $800,000 and additional smaller projects in the DDA for $200,000 for a total loan of $1,000,000. The project was in both the DDA and LURA downtown boundaries, with the property and sales tax increment related to this project going to LURA downtown. The LURA downtown was dissolved in April 2023 and all property and sales tax increment related to Cleveland Station began going to the DDA to repay the debt. The debt has a reserve equal to the yearly payment on the debt of $118,270. This agreement doesn't create a general obligation or other indebtedness or multiple fiscal year direct or indirect obligation to the City. The interest rate is 3.26% with a final maturity date of 12/1/2033. Principal payments began on June 1, 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.

In December 2024, the City Water Enterprise entered into an agreement with the Colorado Water Conservation Board to participate in an increase of the drawdown loan from the Colorado Department of Natural Resources for the Windy Gap Firming Project. The City is obligated to pay Completion C&E equal to its pro rata share as outlined in the Allotment contract. The City's pro rata share is $7,150,831. The interest rate is 2.08% with a final maturity date of January 2056.

	Loans			
	Governmental Activities		Business-Type Activities	
Year	Principal	Interest	Principal	Interest
2026	92,136	26,132	-	-
2027	95,164	23,103	173,427	152,608
2028	98,291	19,976	177,084	148,951
2029	101,522	16,745	180,816	145,219
2030	104,859	13,409	184,627	141,408
2031-2035	332,458	19,053	983,126	647,049
2036-2040	-	-	1,091,006	539,169
2041-2045	-	-	1,210,582	419,592
2046-2050	-	-	1,343,123	287,052
2051-2055	-	-	1,490,032	140,143
2056-2060	-	-	317,008	9,027
Total	**$ 824,430**	**$ 118,418**	**$ 7,150,831**	**$ 2,630,218**

Note 5: Long-Term Liabilities (continued)

C. Water, Wastewater, Stormwater and Electric & Communication Bonds

In January 2015, the City Water Fund authorized revenue bonds in the amount of $3,200,000 for improvements to the Water Treatment Plant. The bonds have a final maturity date of August 1, 2033, with the first principal payment of $150,000 paid on August 1, 2017. The rate of interest on the bonds is 2.98%. The 2015 revenue bonds are payable solely from the net revenue of the water utility system, after deduction of operating expenses. The default provisions for this debt is any receiver appointed may enter and may take possession of the System, may operate and maintain the same, may prescribe fees, rates and other charges, and may collect, receive and apply all Gross Revenue arising after the appointment of such receiver in the same manner as the Enterprise or City itself might do.

In January 2017, the City Wastewater Fund authorized revenue bonds in the amount of $24,900,000 for improvements to the Water Reclamation Facility. The bonds have a final maturity date of August 1, 2037, with the first principal payment of $665,000 due on August 1, 2019. The rate of interest on the bonds is 3.35% on the borrowing totaling $4,450,000 and 4.11% on the borrowing totaling $20,450,000. 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 $81,135,000 is excluding the unamortized premium of $8,068,550. The bond premium received upon the issuance of the debt was $10,405,361 and $2,336,811 has been amortized. The tax-exempt bonds have an interest rate of 5% with a final maturity date of December 1, 2044. The taxable bonds have a variable interest rate ranging from 2.854% to 3.722% with a final maturity date of December 1, 2032. Principal payments are due annually beginning December 1, 2023. The 2019 bonds are payable solely from the net revenue of the electric and communications utility system, after deduction of operating expenses.

In July 2021, the City Water fund issued revenue bonds in the amount of $52,340,000 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 were used to pay and cancel the 2013 Water bond. The outstanding balance of $48,240,000 excludes the unamortized premium of $6,869,920. The bond premium received upon the issuance of the debt was $7,957,438 and $1,087,518 has been amortized. The rate of interest on the bonds is 3.322%. The bonds have a final maturity date of 8/1/2046 with the first principal payment of $1,305,000 due on 8/1/2022. The bonds are payable from the net revenues from the Water fund and the lien on those revenues is on a parity with the lien of the 2015 bond. The default provisions for this debt are after 60 days' notice the Paying Agent will receive not less than 25% of the aggregate principal amount.

In May 2024, the City Stormwater fund issued revenue bonds in the amount of $17,450,000 to be used for three infrastructure projects including the Garfield & Harrison Outfall Phases 3 & 4, the "Heart Improvement Program" (HIP) Street Plan and the stormwater division building addition. The outstanding balance of $16,490,000 is excluding the unamortized premium of $1,182,720. The bond premium received upon the issuance of the debt was $1,213,046 and $30,326 has been amortized. The bonds have interest rates varying between 4.00% and 5.00%. The bonds have a final maturity date of 8/1/2048 with the first principal payment of $960,000 due on 8/1/2024. The bonds are payable from the net revenues of the Stormwater utility after deduction of operating expenses.

In November 2024, the City Electric and Communication fund issued revenue bonds in the amount of $9,600,000 tax exempt bonds and $15,210,000 taxable bonds for a total debt of $24,810,000. The bond premium received upon the issuance of the debt was $444,888 and $2,961 has been amortized. The tax-exempt bonds have an interest rate of 5% with a final maturity date of December 1, 2049. The taxable bonds have a variable interest rate ranging from 4.997% to 5.484% with a final maturity date of December 1, 2039. Principal payments are due annually beginning December 1, 2030. The 2024 bonds are payable solely from the net revenue of the electric and communications utility system, after deduction of operating expenses.

Note 5: Long-Term Liabilities (continued)

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

In July 2025, the City Water fund issued revenue bonds in the amount of $43,630,000 to be used to fund multiple projects to manage aging infrastructure, growth and new regulations. The projects are expected to include waterline replacement, lining and maintenance projects. The bond premium received upon the issuance of the debt was $1,586,898 and $26,448 has been amortized. The bonds have interest rates varying between 4.50% and 5.00%. The bonds have a final maturity date of August 1, 2050 with the first principal payment of $915,000 due on 8/1/2026. The bonds are payable from the net revenues from the Water fund.

In July 2025, the City Wastewater fund issued revenue bonds in the amount of $48,490,000 to be used to construct upgrades to the Water Reclamation Facility. The project will generally improve the existing secondary treatment process to improve and enhance the process while continuing to meet regulation requirements. They are also expected to be used on improvements throughout the facility to address aging infrastructure and redundancy concerns. The bond premium received upon the issuance of the debt was $1,724,544 and $28,742 has been amortized. The bonds have interest rates varying between 4.50% and 5.00%. The bonds have a final maturity date of August 1, 2050 with the first principal payment of $1,020,000 due on 8/1/2026. The bonds are payable from the net revenues from the Wastewater fund.

	Revenue Bonds Business-Type Activities	
Year	**Principal**	**Interest**
2026	$ 7,850,000	$ 12,392,917
2027	8,175,000	12,065,769
2028	8,590,000	11,735,445
2029	8,945,000	11,385,276
2030	10,025,000	11,018,322
2031-2035	56,570,000	48,190,782
2036-2040	64,405,000	34,426,513
2041-2045	70,070,000	18,884,604
2046-2050	41,320,000	5,471,387
Total	**$ 275,950,000**	**$ 165,571,015**

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, construction of a water storage tank three stormwater infrastructure projects, and projects to address aging infrastructure and new regulations. Additionally, 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	$ 1,929,973	2033
2017 Wastewater Bond	20,654,504	2037
2019 Electric & Communications Bond	121,726,332	2044
2021 Water Bond	64,331,750	2046
2024 Stormwater Bond	25,889,350	2048
2024 Electric & Communications Bond	45,857,509	2049
2025 Water Bond	76,315,961	2050
2025 Wastewater Bond	84,815,634	2050
	$ 441,521,013	

Note 5: Long-Term Liabilities (continued)

D. Construction Financing Agreement

The Loveland Fire Rescue Authority entered into a financing agreement on April 9, 2021. This financing agreement was entered into to fund the construction of Fire Station 10 and to pay and cancel the 2018 capital lease. The rate of interest on the agreement is 2.285% with a final maturity of April 1, 2041. Payments on this lease started on October 1, 2021.

Year		Principal		Interest
2026		500,000		211,711
2027		510,000		200,146
2028		520,000		188,352
2029		535,000		176,273
2030		545,000		163,907
2031-2035		2,920,000		624,025
2036-2040		3,265,000		270,392
2041		700,000		8,015
Total	**$**	**9,495,000**	**$**	**1,842,821**

E. Equipment Financing Agreements

The Loveland Fire Rescue Authority entered into a financing agreement on April 9, 2021. This financing agreement was entered into to purchase 115 SCBAs, 254 cylinders, 9 RIC kits, 2 compressors and related equipment. The repayment schedule for the agreement are annual principal and interest payments on January 15th. The rate of interest on the agreement is 2.734% with a final maturity of January 15, 2028. Payments on this agreement begin on January 15, 2022. The original amount of the borrowing, $1,179,937 was adjusted in 2022 due to a change in the principal which was reduced by $26,828 due to a change in the equipment purchased.

The City entered into a financing agreement dated January 23, 2023 for the acquisition of 155 electric golf carts, 4 gasoline golf carts and 2 beverage units. The repayment schedule for the agreement requires monthly principal and interest payments of $11,996 with final payment occurring in July 2027. Payments began in August 2023. The interest rate is 3.50%.

The Loveland Fire Rescue Authority entered into a financing agreement on December 17, 2025. This financing agreement was to purchase portable radios and mobile radios. The radio purchases were part of an intergovernmental agreement between the Loveland Fire Rescue Authority (LFRA), Poudre Fire Authority, Berthoud Fire Protection District and Windsor-Severance Fire Protection District. LFRA entered into the financing agreement as the fiscal agent for the purchase. The repayment schedule for the agreement is annual principal and interest payments on January 1st. The rate of interest on the agreement is 4.297% with a final maturity of January 1, 2033. Payments on this agreement begin on January 1, 2027. The original amount of the borrowing, $3,814,959.

Equipment Financing Agreements

	Governmental Activities				Business-Type Activities			
Year		**Principal**		**Interest**		**Principal**		**Interest**
2026		171,654		14,468		138,413		5,543
2027		654,616		174,194		83,003		972
2028		680,466		148,345		-		-
2029		520,755		121,935		-		-
2030		543,134		99,556		-		-
2031-2033		1,773,502		154,568		-		-
Total	**$**	**4,344,127**	**$**	**713,066**	**$**	**221,416**	**$**	**6,515**

Note 5: Long-Term Liabilities (continued)

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, 2025, is $765,000.

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, 2025, the City had oversizing agreements for transportation, water and wastewater. The City appropriates money annually to make payments on developer agreements with a target of having the agreement paid off by the time the improvement would have been scheduled for construction in the capital improvements program. Contractually, the only agreement with a stated payment plan is the Waterford Place 2nd project. No amount shall be due to developers in any year in which funds have not been appropriated.

Under Municipal Code 16.41.110, the City references the Larimer County Urban Area Street Standards regarding required interest payments to developers on required but unnecessary street oversizing improvements. The street developer may be paid interest at the same rate that the City is earning on its pooled investments during the reimbursement period beginning three months after City acceptance of the approved oversizing street improvements until reimbursement is completed. There is currently one street oversizing improvement agreements that include interest payment requirements.

The City's Oversizing Developer Agreement Schedule at December 31, 2025, is as follows:

Project	Date of Contract	Orig Contract Amount	Jan 1, 2025 Balance	Contract Additions	Contract Payments	December 31, 2025 Balance
*Waterford Place 2nd Sub	12/13/2002	$ 507,205	$ 400,867	$ -	$ -	$ 400,867
Blackbird Knolls 2nd Sub	5/2/2005	307,337	307,337	-	-	307,337
The Ranch (LC Fairgrounds)	8/29/2024	3,504,723	-	3,504,723	-	3,504,723
Chilson Stroh Farms 4th Subdivision	9/5/2024	412,030	-	412,030	-	412,030
Lots 1&2, Blk 1, and Lot 1, Blk 2 Loveland Commerce Park 1st Sub	10/10/2024	1,097,025	-	1,097,025	-	1,097,025
Street Oversizing Agreements		**$ 5,828,320**	**$ 708,204**	**$ 5,013,778**	**$ -**	**$ 5,721,982**
Chilson Stroh 3rd Subdivision	1/5/2024	73,218	73,218	-	73,218	-
Vanguard-Famleco 13th Subdivision (Hunters Run West Filing #1)	6/30/2025	629,822	-	629,822	-	629,822
Water Oversizing Agreements		**$ 703,040**	**$ 73,218**	**$ 629,822**	**$ 73,218**	**$ 629,822**
Vantage First Subdivision	8/6/2024	98,440	98,440	-	-	98,440
Waste Water Oversizing Agreements		**98,440**	**98,440**	**-**	**-**	**98,440**
TOTAL DEVELOPER AGREEMENTS		**$ 6,629,800**	**$ 879,862**	**$ 5,643,600**	**$ 73,218**	**$ 6,450,244**

**Interest applies to these contracts.*

Note 6: Contractual Obligations

In January 2013, Council approved the Development and Disposition Agreement for the sale of property located at 541 E. Lincoln to facilitate the construction of a $9.3 million, 69-unit market rate housing development in Downtown Loveland by Brinkman Partners of Fort Collins.

City Council approved modification to the Block 41-Finley's Addition Plan Area to include 541 N. Lincoln and other properties in the area. This permits LURA to retain incremental tax revenue from sales taxes in addition to property taxes to assist with the financing of the North Catalyst project (541 N. Lincoln). By expanding the Finley's Addition Plan Area, the combined tax increment from the Lincoln Place Urban renewal area and the Brinkman/North Catalyst project will fund the public improvements for the catalyst project, predevelopment costs, and repay the City of the purchase of the property. After modification, Block 41-Finleys Addition Urban Renewal Plan is now referred to as the Expanded Finley's Addition Plan Area.

The City's Capital Expansion Fund loaned the Loveland Urban Renewal Area $1.5 million for public improvements via interfund loans. The LURA will reimburse the City CEF's from the tax increment collections plus 3 percent interest after satisfaction of the Lincoln Place Master Financing Agreement. The obligation will be repaid by 2027.

Master Financing Agreements

On January 20, 2004, a 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 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.

On June 8, 2023, a Master Financing Agreement (MFA) was entered into between the City, Centerra South Development Inc (Developer), Centerra Properties West LLC and VDW Properties LLC (Owners) and the Loveland Urban Renewal Authority (LURA). 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 139 acres of land at the southwest corner 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 June 8, 2023. 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 1.75% of its 3.0% sales tax on taxable sales transactions occurring within the Commercial Area. The 1.75% sales tax credit will be automatically reduced to 1.25% upon the satisfaction of certain conditions set forth in the Sales Tax Credit Resolution.

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 received was $2,433 leaving an ending fund balance of $54,131.

Note 8: Commitments and Contingencies

A. Risk Management and Employee Benefits

To manage risk, the City uses a combination of large deductibles, participation in an insurance pool, and insurance coverage. The activity for City risk functions is accounted for in the Risk & Insurance Fund and the Employee Benefits Fund, which are components of the combined Internal Service Fund. The Internal Service Fund also includes the Fleet Replacement and Fleet Management Funds.

The City participates in the Colorado Intergovernmental Risk Sharing Agency (CIRSA) for property and liability. CIRSA is a separate and legal entity which was formed by intergovernmental agreement by member municipalities pursuant to the provisions of 24-10-115.5, 29-1-201 et. seq., 29-13-102, 84-44-101(1)(c) and (3), and 84-44-204, C.R.S., as amended, and Colorado Constitution, Article XIV, Section 18(2). Membership is restricted to Colorado municipalities which are members of the Colorado Municipal League and other public entities which meet certain criteria.

Other public entities must meet the following criteria:

1. Be a "public entity" as that term is defined in the Colorado Governmental Immunity Act (school districts are ineligible for CIRSA membership);
2. Have an intergovernmental agreement in effect with a CIRSA member municipality for the provision of one or more functions, services, or facilities lawfully authorized to both the entity and the municipality; and
3. That member municipality must consent to the entity's participation.

The purposes of CIRSA are to provide coverage and related services for its member municipalities through Member Pooling and excess insurance. It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability or loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverage at reasonable costs.

All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. The board of directors may credit member municipalities' future contributions in the event of a surplus. Although it has never occurred, CIRSA member municipalities are subject to a supplemental assessment in the event of a deficiency.

In 2025, 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 2025-2026 renewal period (7/01/2025 through 6/30/2026) the City renewed with a per-occurrence deductible of $100,000. Pinnacol also provides the City with a workers' compensation employers' liability limit of $2,000,000.

The Employee Benefits Fund provides benefit eligible employees with a variety of benefits, including a partially self-insured medical plan, self-insured dental coverage, short-term and long-term disability plans, a life insurance plan and employee assistance as well as other ancillary benefits. Medical insurance is self-insured up to a fully insured stop-loss coverage of $175,000. Estimated liabilities for medical and dental claims incurred but not reported (IBNR) at year end, are shown as accrued liabilities in the fund. These estimates are based on projections from historical claims data. Administrative costs of preparing these estimates are not included in the accrual of these liabilities. Individual stop-loss coverage reduces the City's risk by shifting responsibility for large claims to the stop-loss provider. Medical claim amounts paid in excess of $175,000 for a covered individual in a calendar year are reimbursed to the City by the stop-loss provider. Medical aggregate stop-loss coverage is also applicable and protects the City against high total claims for the healthcare plan. The Employee Benefits Fund has $22,609,613 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.

Note 8: Commitments and Contingencies (continued)

A. Risk Management and Employee Benefits (continued)

The Risk & Insurance Fund provides protection against losses involving City property, equipment, liability, workers' compensation, and environmental issues. Reserves within the fund support higher deductibles against loss. Payments to CIRSA and Pinnacol for coverage under the insurance pool are shown as expenses within the fund. Charges for services are collected from City departments based on amounts determined by management to meet annual required payouts and to maintain deductible reserves. Accrued liabilities are recorded for incurred claims based on estimates made by CIRSA and Pinnacol. Additional contingent liability claims for these coverages have not been recognized after reviewing claims history due to the remoteness of potential loss in excess of actual contributions.

The Risk & Insurance Fund has $5,525,832 in net position for property casualty losses. The Employee Benefits Fund has $22,609,613 in net position for employee benefit claims. The combined net position of the Risk & Insurance Fund and Employee Benefits Fund, available to cover catastrophic losses, totals $28,135,445.

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

Description	**December 31, 2025**	**December 31, 2024**
Unpaid Claims - Beginning	$ 3,035,392	$ 3,422,495
Incurred Claims (includes IBNR's)	12,375,533	12,376,437
Claims Paid	(12,560,389)	(12,763,540)
Unpaid Claims Ending	**$ 2,850,536**	**$ 3,035,392**

B. Construction Commitments

At December 31, 2025, the City had several construction projects in process. The most significant of these are as follows:

Project	**Budget**	**Cost to date**
Chimney Hollow Reservoir	$ 84,511,510	$ 84,180,515
Taft Ave/Eisenhower Intersection	$ 31,003,947	$ 12,959,988
Garfield & Harrison Outfall	$ 19,955,688	$ 11,451,704
Garfield & Harrison Outfall Phase 3 & 4	$ 22,294,672	$ 10,180,780
South Loveland Outfall Phase 3 Offsite	$ 13,970,543	$ 8,478,336

C. Contingent Liabilities

Pending Litigation

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

Grantor Agency Audits

Under the terms of federal and state grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grant. Such audits could lead to reimbursements to the grantor agencies. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time. Management believes disallowances, if any resulting from such audits, would not materially affect the financial statements of the City.

Note 8: Commitments and Contingencies (continued)

C. Contingent Liabilities (continued)

Other Contingencies

The City of Loveland's Water Utility is one of twelve participants funding the construction of the Chimney Hollow Reservoir. Project management of the Chimney Hollow Reservoir construction is the responsibility of the Municipal Subdistrict of Northern Water. The Subdistrict has identified elevated concentrations of dissolved uranium in water within the Chimney Hollow Reservoir footprint, attributable to naturally occurring minerals in the rock used to construct the main embankment. Current modeling indicates concentrations within the reservoir may exceed the water supply standard assigned to water intended to be used as a public drinking water supply. Subdistrict management is evaluating the potential for uranium to move into the water. They are also evaluating multiple mitigation alternatives should it be necessary. No preferred alternative has been identified, and potential costs are not yet estimable. If mitigation is necessary, the City of Loveland would be responsible for 11.1% of the costs.

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 Nationwide 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 2025 are as follows:

	Police Officers	Firefighters	Non-uniformed Employees
Required Contribution Rate			
Employer	10% - 15%	10% - 15%	3% - 9%
Employee	10%	10%	3%
Amounts Contributed			
Employer	$ 1,891,395	$ 1,894,600	$ 3,758,917
Employee	1,711,192	1,300,337	1,851,822
Total	$ 3,602,587	$ 3,194,937	$ 5,610,739

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.

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.

Note 9: Retirement Commitments (continued)

B. Defined Benefit Plans (continued)

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, 2025, the most recent actuarial valuation date, the membership of the Loveland and Rural Consolidated Volunteer Firefighters Pension Plan is:

Retirees and Beneficiaries	61
Inactive, Nonretired Members	-
Active Members	-
Total Members	61

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, 2024, is:

Total Pension Liability	$ 3,703,423
Plan Fiduciary Net Position	2,054,163
Net Pension Liability	$ 1,649,260

The Plan is 55.47% funded.
The liquidation of this liability is primarily funded by the General Fund.

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Beginning Balance	$ 3,540,927	$ 2,178,190	$ 1,362,737
Changes for the Year			
Interest	234,166	-	234,166
Benefit changes	244,756	-	244,756
Difference between expected and actual experience of the Total Pension Liability	(189,416)	-	(189,416)
Changes of Assumptions	271,130	-	271,130
Contributions - Employer	-	101,700	(101,700)
Net Investment Income	-	192,624	(192,624)
Benefit Payments, Including Refunds	(398,140)	(398,140)	-
Administrative Expense	-	(20,211)	20,211
Net Changes	162,496	(124,027)	286,523
Ending Balance as of 12/31/24	$ 3,703,423	$ 2,054,163	$ 1,649,260

Note 9: Retirement Commitments (continued)

B. Defined Benefit Plans (continued)

At December 31, 2025, 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	$ 47,671	$ -
Employer contributions to the plan subsequent to the measurement date	101,700	-
Total	$ 149,371	$ -

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:	
2026	$ 20,845
2027	57,523
2028	(20,450)
2029	(10,247)
2030	-
Total	$ 47,671

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, 2025, for the measurement period ending December 31, 2024. 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, 2025, 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, 2024, measurement date. The December 31, 2024, measurement date total pension liability was determined by an actuarial valuation performed as of January 1, 2025. Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2023, determines the contribution amounts for 2024 and 2025.

Actuarial Assumptions are:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar,
Open[1]	
Remaining Amortization Period	20 years[1]
Asset Valuation Method	5-Year smoothed fair value
Inflation	2.5%
Salary Increase	N/A
Investment Rate of Return	7.0%
Retirement Age	50% per year of eligibility until 100% at age 65
Mortality	Pre-retirement: Pub-2010 Safety Healthy Employee Mortality Tables for

males and females, amount-weighted, projected with the MP-2020 Ultimate projection scale, 60% multiplier for off-duty mortality.

Post-retirement: Pub-2010 Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, projected with the MP-2020 Ultimate projection scale.

Disabled: Pub-2010 Public Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, set forward five years projected with the MP-2020 Ultimate projection scale, with minimum probability of 3.5% for males and 2.5% for females.

[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	6.00%
Long-Term Expected Rate of Investment Return	6.00%
Long-Term Municipal Bond Rate *	4.08%

The last year ending December 31 in the 2025 to 2124 projection period for which projected benefit payments are fully funded is year 2124.

*Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Bond Buyer's "20-Bond GO Index Rate" as of December 31, 2024.

Note 9: Retirement Commitments (continued)

B. Defined Benefit Plans (continued)

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

1% Decrease to 5.0%	$ 1,964,357
Current Single Discount Rate Assumption of 6.0%	$ 1,649,260
1% Increase to 7.0%	$ 1,378,130

8. Long Term Expected Rate of Return:

Asset Class	Target Allocation	Long Term Expected Rate of Return
Global Equity	33%	4.30%
Equity Long/Short	6%	3.30%
Private Capital	34%	6.10%
Fixed Income - Rates	7%	2.30%
Fixed Income - Credit	7%	3.80%
Diversifiers	9%	3.00%
Liquidity	4%	1.50%
Total	100%	4.45%

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of December 31, 2024, 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. Extensions were approved in 2013 through 2024 and in 2024 through 2036 to be used for the same purposes. Due to the exemption of sales tax on food for home consumption in 2024, the City does not anticipate having excess revenue in 2026.

The City has established an Emergency Reserve, representing 3% of qualifying expenditures, as required by the amendment. At December 31, 2025, the emergency reserve of $3,882,282 is 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 2025.

Actual revenue	$	129,409,411	CPI increase	2.29
Base revenue		137,340,733	Growth increase	1.29
Surplus/(Deficit)	**$**	**(7,931,322)**	**Total increase allowed**	**3.58**

Note 11: Fund Balance Designation

Since 2005 when the Citizen Advisory Commission brought a policy to City Council, the City has retained a minimum of 15% of General Fund expenditures in the unassigned fund balance in essence as a stabilization fund. The City Council must formally adopt a supplemental appropriation to use these funds. The replenishment of the funds would be strategically addressed in the General Fund Ten Year Financial Master Plan that is updated annually. The balance as of December 31, 2025, is $18,180,028.

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.

The table below provides details 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	$ -	$ -	$ 679,920	$ -	$ -	$ -	$ 55,417	$ 735,337
Prepaid Expenses	5,445							5,445
Permanent Fund	-	-	-	-	-	-	4,235,165	4,235,165
Total Nonspendable	**5,445**	-	**679,920**	-	-	-	**4,290,582**	**4,975,947**
Restricted								
Tabor 3% Emergency Reserve	3,882,282	-	-	-	-	-	-	3,882,282
Urban Revitalization	-	3,474,584	-	-	-	-	12,062,953	15,537,537
Parks & Recreation	14,054	-	-	-	-	-	6,176,363	6,190,417
Open Space Acquisitions	-	-	-	-	-	-	9,546,628	9,546,628
Law Enforcement	-	-	-	-	-	-	1,182,175	1,182,175
Fire & Rescue	-	-	-	-	16,465,937	-	-	16,465,937
Conventions & Tourism	-	-	-	-	-	-	1,404,317	1,404,317
Museum Programs	883,119	-	-	-	-	-	-	883,119
Downtown Maintenance	-	-	-	-	-	-	349,720	349,720
Police Donations	359,261	-	-	-	-	-	-	359,261
Library Books	262,466	-	-	-	-	-	-	262,466
Total Restricted	**5,401,182**	**3,474,584**	-	-	**16,465,937**	-	**30,722,156**	**56,063,859**
Committed:								
Future Capital Improvements	-	-	15,451,559	49,418,830	-	-	-	64,870,389
Interfund Loan Receivable	10,689	-	-	567,115	-	-	-	577,804
Art in Public Places	1,328,287	-	-	-	-	-	-	1,328,287
Public Education	-	-	-	-	-	-	326,275	326,275
Affordable Housing Agreements	-	-	-	-	-	-	1,629,744	1,629,744
Total Committed	**1,338,976**	-	15,451,559	49,985,945	-	-	**1,956,019**	**68,732,499**
Assigned								
Parks Capital Improvements	-	-	-	-	-	-	591,891	591,891
Fiber Network	-	-	-	-	-	-	230,728	230,728
Total Assigned	-	-	-	-	-	-	**822,619**	**822,619**
Unassigned:	**28,917,123**	-	-	-	-	**(330,017)**	**(87,262)**	**28,499,844**
Total Fund Balances	**$ 35,662,726**	**$ 3,474,584**	**$ 16,131,479**	**$ 49,985,945**	**$ 16,465,937**	**$ (330,017)**	**$ 37,704,114**	**$ 159,094,768**

Note 12: Tax Abatement

Loveland City Council adopted the current Incentive Policy in September of 2022. The City's Incentive Policy supports assistance programs for primary employers, small business development, entrepreneurship, technology incubation and acceleration. The approved policy encourages high quality, primary job creation and private sector investment. An economic incentive or other City commitment under this policy must serve a public purpose including but not limited to providing significant cultural, social, and/or economic benefits to the citizens of Loveland.

The following is a list of the incentives active in 2025:

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 $169,081.

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 2025 payment (year 7/10) was $225,232 and was issued in December 2025.

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 two cents of each three cents of city sales tax collected for anchor tenants. For junior anchors, the rebate amount is two cents of each three cents collected for years 1 through 15 and 1.25 cents of each three cents collected for years 16 through 25. For other retailers (non-anchor) the rebate is 1.25 cents for each three cents collected. The building permit fee and material use tax waivers expired December 31, 2021. The City has issued sales tax rebates based on the development of qualified other retailers (non-anchor) since 2019.

JAX,Inc.

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

Note 12: Tax Abatement (continued)

Lincoln DB, LLC (Dutch Brothers)

This retail incentive was approved by City Council in May 2021 for a Dutch Brothers drive through coffee shop located at 975 N Lincoln Avenue. The property is within the boundaries of the Loveland Urban Renewal Authority (LURA)Downtown Plan Area and the Downtown Development Authority (DDA). The agreement is between the City, LURA, DDA and the developer and reimburses the developer for the design and construction of eligible public improvements. Dutch Brothers received a certificate of occupancy in May 2021. The reimbursement amount is the equivalent to 50% of the annual city sales tax generated at the project site. The reimbursement will be paid annually for six years or up to $99,070 whichever occurs first. The first payment was issued in Q1 2023 based on 2022 collections. In April 2023, the Loveland Urban Renewal Authority (LURA) Downtown Plan Area was terminated. Tax increment will be remitted to the City and held in the DDA Special Fund and reimbursements will occur per the terms of the agreement. The reimbursement cap was reached in 2025, and final payment was made in January, 2026.

Simply Delicious, Inc (Bobo's Oat Bars)

Simply Delicious Inc dba Bobo's Oat Bars is a nationally recognized brand producing healthy handmade oat bar snacks that are shipped across the country. They expanded and consolidated their Loveland and Boulder manufacturing, distribution and headquarters into one building located in Loveland. The business assistance agreement defers up to $300,000 of the city sales tax collected on manufacturing equipment purchased in the first year of operation. The City will defer the tax over five years through October 1, 2027, and waive the tax up to $300,000, at the end of the five years if all agreement terms are met. Retention of this business keeps roughly 100 jobs in Loveland and has the potential to add up to 125 new jobs over the next 5 years. Bobo's completed their expansion and consolidated their offices in 2022. Contract open until 2027.

Vitamin Cottage Natural Food Markets, Inc

In June 2022, the City Council, and the Loveland Urban Renewal (LURA) Board approved a public improvement reimbursement agreement between the City of Loveland, LURA, the Downtown Development Authority (DDA) and Vitamin Cottage in support of the construction of a Natural Grocers store in downtown Loveland. The agreement authorizes the equivalent of an annual reimbursement to the developer of the municipal sales tax increment collected once the minimum annual threshold of $150,000 is collected in the LURA Special Fund. The reimbursement term begins one full year after issuance of a certificate of occupancy, for 10 years, or until $500,000 of public improvements is reimbursed, whichever comes first. The LURA Downtown Plan was terminated in April 2023. Tax increment will be remitted to the City and held in the DDA Special Fund and reimbursements will occur per the terms of the agreement. Due to the removal of sales tax on food for home consumption the minimum annual threshold has not been met to require reimbursement.

Discovery Air, LLC

City Council approved a business assistance agreement with Discovery Air in December 2022 to construct and operate a customs facility at the Northern Colorado Regional Airport. The cash incentive provides funding for a portion of the expenses associated with the operations of a customs facility. The cash incentive is capped at $150,000. The payments will be made annually over three years, $50,000 per year. The initial payment will be made when the custom office is open to the public. Subsequent payments will be made on the anniversary of the initial payment. Payment is issued after completion of the terms of the agreement including opening the custom office by July 1, 2024. First payment was issued July 2024. The third and final payment is expected to be issued July 2026.

Bass Pro Outdoor World

City Council approved a business assistance agreement with Hodges Development Services and Bass Pro Outdoor World in August 2023. The agreement provides fee waivers on construction building permits, use tax, stormwater impact fees, general government capital expansion fees and law enforcement capital expansion fees, not to exceed $800,000. The company is responsible for all other fees. Two cents of each three cents sales tax collected will be rebated until 2047 per the terms within the already approved Brands Agreement. Fee waivers according to the agreement were issued in 2024. Expected opening Spring 2026.

Note 12: Tax Abatement (continued)

Hensel-Phelps

In May 2024, City Council approved a business assistance agreement with Hensel Phelps Construction Co. The agreement provides fee waivers on use tax, building permits, general government capital expansion fees and law enforcement capital expansion fees not to exceed $1,000,000. The combined fee waivers will occur at the time a building permit is issued for the Project Site. Three years from issuance of certificate of occupancy, the City will pay the company $2,000 per employee at the Loveland location, not to exceed $500,000. The City of Loveland will confirm and validate the number of employees and issue a payment for performance incentive at that time. No incentive payments were issued in 2024 or 2025.

RapiCure Solutions

In 2025, RapiCure Solutions was a recipient of a Small Business Incentive of $30,000, to support implementation of a critical automation upgrade within their manufacturing process. RapiCure Solutions manufactures products designed to address aging infrastructure. RapiCure Solutions has invested over $350,000 in capital expenditures and employs eight full-time employees currently at The Forge. City support of this upgrade is intended to facilitate an increase in employee count to 100 by 2028, additional capital investment, and contribute to a high-tech/innovation ecosystem that serves as an attraction for other high-tech companies.

Children's Museum of Northern Colorado

In 2025, The Children's Museum of Northern Colorado was a recipient of a Small Business Incentive of $30,000. This incentive will support the opening of the first regional Children's Museum in Northern Colorado by offsetting building permits and tech fees associated with tenant finish. Anticipated investment of approximately $6.7MM with over 100,000 visitors annually, generating estimated new sales tax of $700,000 over five years.

CisLunar

In 2025, CisLunar was a recipient of a Small Business Incentive of $30,000, to offset the cost of critical equipment purchases and facilities renovations. CisLunar is a Loveland-based aerospace and space technology company that serves major companies in the space industry with satellite propulsion systems and deployable satellite structures. The company plans to add 50 new jobs over the next five years with an average salary of $140,000 which is double the County AMI. The Forge campus has been chosen as their new headquarters. Their presence also serves to help attract additional aerospace companies to Loveland. CisLunar is investing its own resources alongside this incentive to ensure the successful completion of this next phase of growth.

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 twelve and one half years. The City of Loveland depreciates assets using a mid-year convention, the solar panels have been in service for seven 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. The City's total amount of pollution remediation obligations as of December 31, 2025, was $583,600 all of which is Due Within One Year as a current liability. Pollution obligations of the City generally include remediation activities related to asbestos abatement and removal, land contamination, and removal of buried waste. Individually significant pollution remediation obligations are disclosed below:

- The City recorded a liability for remediation activities at the former Sugar Beet Factory for removal of soil with Volatile Organic Compounds (VOCs) and contaminants, the removal of buried solid waste and asbestos abatement and removal. The costs are estimated to be $155,000 in 2026. The cost estimates are based on bids and/or estimates. Estimates may be provided by consultants or be based on past projects and experience.

- The City recorded a liability for remediation activities involving the management of illegal encampments. The City will conduct clean up and removal of abandoned property. The costs are estimated to be $350,000 in 2026. Costs are estimated by averaging the low and high estimate for the site.

- The City recorded a liability for remediation activities at the Foundry parking garage which has a dewatering permit which requires groundwater sampling, reporting and construction of a treatment system. The costs are estimated to be $78,600 in 2026.

Note 15: Leases

Leases Receivable

The City leases office space within the Loveland Visitor's Center, to the Loveland Chamber of Commerce. The current lease term is for five years, expiring December 31, 2026. There is an escalation clause in the lease that calls for a 2.5% increase in lease payments each year. The lease contains options for two additional five-year terms. The City received monthly payments of $1,794 for 2025. The City recognized $19,168 in lease revenue and $7,292 in interest revenue during the current year related to this lease.

The City leases a parcel of land located at 1355 N Lincoln Avenue in Loveland to Good Times Drive Thru, Inc. The current lease term is for 5 years, expiring March 29, 2028. The lease contains an option for one additional five-year term. The lease calls for monthly base rent of $1,625, with certain variable payments, based on a percentage of the gross sales of the restaurant, not included in the measurement of the lease receivable. The City recognized $16,533 in lease revenue and $4,060 in interest revenue during the current year related to this lease.

The City leases office and warehouse space located at 1515 Cascade Avenue in Loveland. The current lease term is for two years, expiring November 1, 2026. The lease contains options for two additional terms of five years each. There is an escalation clause in the lease that calls for a 3.0% increase in lease payments each year. The lease calls for monthly rent of $51,093. The City recognized $150,523 in lease revenue and $49,791 in interest revenue during the current year related to this lease.

The City leases various parcels of open land to third parties for farming and grazing purposes. The lease terms range from two years to ten years and call for fixed monthly or annual payments. The City recognized $94,321 in lease revenue and $17,485 in interest revenue during the current year related to these leases.

Leases Payable

In September of 2023, the City entered into a three-year lease agreement for the use of two undercover police vehicles. An initial lease liability was recorded in the amount of $42,935. As of December 31, 2025, the lease liability was $0. The City was required to make monthly principal and interest payments of $975 for one of the vehicles and $899 for the other vehicle. The lease expired on August 31, 2025.

In August of 2024, the City entered into a two year lease agreement for the use of two undercover police vehicles. An initial lease liability was recorded in the amount of $30,246. As of December 31, 2025, the value of the lease liability was $9,010. The City is required to make monthly principal and interest payments of $650 for each of the vehicles. The vehicles have an estimated useful life equal to the lease term.

In September of 2025, the City entered into a two year lease agreement for the use of two undercover police vehicles. An initial lease liability was recorded in the amount of $30,246. As of December 31, 2025, the value of the lease liability was $25,330. The City is required to make monthly principal and interest payments of $650 for each of the vehicles. The vehicles have an estimated useful life equal to the lease term.

In April of 2021, the City entered into a five-year lease agreement for the use of (3) Volvo L90H Loaders and a Volvo L-110H Loader. An initial lease liability was recorded in the amount of $198,983. As of December 31, 2025, the value of the lease liability was $12,420. The City is required to make monthly principal and interest payments of $2,993 for the (3) L90H loaders and $1,168 for the L-110H loader. The loaders have an estimated useful life equal to the lease term.

In January of 2016, the City entered into a one-year lease agreement for the use of property located at 1632 Topaz Dr, Loveland, CO, for the operation of an Employee Wellness Clinic. The lease agreement contained (6) one-year options to extend the lease to December 31, 2022. In October of 2022, the City and the landlord agreed to a new lease agreement to extend the term to December 31, 2023. This lease agreement contains (4) one-year options to extend the lease up and through December 31, 2027, unless earlier termination is elected. An initial lease liability was recorded in the amount of $148,662. As of December 31, 2025, the value of the lease liability was $56,640. The City was required to make monthly principal and interest payments of $2,391 for 2025. The lease calls for a 3.0% escalation in the monthly rental payments annually, beginning January 1, 2024, which is reflected in the calculation of the lease liability. The rental property has an estimated useful life equal to the lease term.

Note 15: Leases (continued)

Leases Payable (continued)

In May of 2024, the City entered into a five year lease agreement for the use of property located at The Forge Campus, Loveland, CO for office space for PULSE Fiber. The lease agreement contains (2) three-year options to extend the lease to April 30, 2035. An initial lease liability was recorded in the amount of $3,395,280. As of December 31, 2025, the value of the lease liability was $3,026,275. The City was required to make monthly principal and interest payments, in 2025, of $26,195 for the months of January through April and $27,326 per month for the months of May through December. The lease calls for a 3.0% escalation in the monthly rental payments based on the lease's annual anniversary, which is reflected in the calculation of the lease liability. The rental property has an estimated useful life equal to the lease term.

In November of 2024, the City entered into a three year lease agreement for the use of property located at 1349 N. Cleveland, Loveland, CO for office space for the Water Department. The lease agreement contains (1) three-year options to extend the lease to February 28, 2031. An initial lease liability was recorded in the amount of $182,117. As of December 31, 2025, the value of the lease liability was $131,797. The City was required to make monthly principal and interest payments of $4,968 for 2025. The lease calls for a 3.0% escalation in the monthly rental payments based on the lease's annual anniversary, which is reflected in the calculation of the lease liability. The rental property has an estimated useful life equal to the lease term.

In March of 2019, the City entered into a fifty year lease agreement for the use of property located at the Northern Colorado Regional Airport for the construction of a Police Training Campus. An initial lease liability was recorded in the amount of $4,694,686. As of December 31, 2025, the value of the lease liability was $4,564,658. The City is required to make quarterly principal and interest payments of $55,131 for 2025. The rental property has an estimated useful life equal to the lease term.

The future principal and interest lease payments as of December 31, 2025, were as follows:

Year	Principal	Interest
2026	$ 411,621	$ 252,313
2027	410,374	239,891
2028	338,938	228,226
2029	349,142	217,801
2030	371,001	206,767
2031 - 2035	1,926,886	845,998
2036 - 2040	353,780	676,640
2041 -2045	421,332	609,088
2046 - 2050	501,782	528,638
2051 - 2055	597,594	432,826
2056 - 2060	711,700	318,720
2061 - 2065	847,594	182,826
2066 - 2070	584,384	33,868

Note 16: Subscription Based Information Technology Agreements

Agreements Payable

In August of 2021, the City entered into a five-year agreement as lessee for the use of OpenGov Financial Integration software. An initial SBITA liability was recorded in the amount of $15,303. As of December 31, 2025, the value of the SBITA liability was $0. The City was required to make an annual principal and interest payment of $4,080. The software has an estimated useful life equal to the SBITA term.

In April of 2022, the City entered into a three-year agreement as lessee for the use of MicroSoft Office365 software. The agreement contains (1) three-year option to extend the agreement. An initial SBITA liability was recorded in the amount of $1,685,632. As of December 31, 2025, the value of the SBITA liability was $591,417. The City is required to make an annual principal and interest payment of $303,151. The software has an estimated useful life equal to the SBITA term.

In March of 2023, the City entered into an three year agreement as lessee for the use of Environmental Systems Research Institute software. An initial SBITA liability was recorded in the amount of $174,828. As of December 31, 2025, the value of the SBITA liability was $0. The City was required to make an annual principal and interest payment of $60,500. The software has an estimated useful life equal to the SBITA term.

The future principal and interest Subscription Based IT Agreement payments as of December 31, 2025, were as follows:

Year	Principal	Interest
2026	$ 291,279	$ 11,872
2027	300,138	3,013

Note 17: Certain Risk Disclosures

The City implemented GASB Statement No. 102, Certain Risk Disclosures, during the current fiscal year. GASB 102 enhances disclosures related to certain concentrations and constraints that may expose a government to substantial risk of loss. The implementation of this Statement did not have a material effect on the City's financial statements, as no concentrations or constraints meeting the disclosure criteria were identified as of year-end.

<u>Note 18: Change in Financial Reporting Entity</u>

The City implemented a change in reporting entity presentation in 2025 related to the Downtown Development Authority (DDA). Beginning in 2025, the DDA is reported as a discretely presented component unit of the City. In prior years, the DDA was reported within the Downtown Development Authority TIF Fund. The change resulted from a reevaluation of the DDA's relationship to the City under the criteria established in GASB Codification Section 2600. Upon review, management determined that the DDA does not meet any of the blending criteria outlined in GASB Cod. 2600.113. Accordingly, the DDA is more appropriately reported as a discretely presented component unit. The accompanying financial statements have been presented to reflect this change in reporting entity.

Downtown Development Authority TIF Fund

2024 Beginning Fund Balance as originally reported	$	1,533,839
2024 Net Change in Fund Balance		2,981,284
2024 Adjustment for Discretely Presented Component Unit		(191,436)
2024 Net Change in Fund Balance as restated		2,789,848
2024 Ending Fund Balance as restated	$	4,323,687

Impact on Statement of Net Position - Beginning for governmental activities

2024 Net Position - Beginning	$	699,195,153
2024 Change in Net Position		45,314,596
2024 Adjustment for Discretely Presented Component Unit		(191,436)
2024 Change in Net Position - Beginning, as restated		45,030,273
2024 Ending Net Position as restated	$	744,225,426

Note 19: Subsequent Events

City Council approved a business assistance agreement with Centerra Properties West and Centerra Metropolitan District No.1, in February 2026, to develop a non-residential mixed used development in Loveland. The agreement will provide a City "Sales Tax Credit" of 1.25% not to exceed a yearly amount of $300,000 and $6,500,000 in the aggregate, to finance construction, installation, maintenance, or reimbursement in connection thereof to the public improvements. These payments will begin at the later of: (a) the date of issuance of the certificate of occupancy or letter of completion for the warehouse and (b) January 20, 2029, and will continue through the earlier of (a) Credit termination date or (b) until the aggregate amount has been paid.

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, 2025

	Budgeted Amounts (unaudited)			Difference with Final
	Original	Final	Actual	Budget
Revenues:				
Taxes	$ 84,765,952	$ 85,365,952	$ 87,708,190	$ 2,342,238
Licenses and Permits	3,904,558	3,904,558	4,273,284	368,726
Fines and Penalties	607,549	618,049	469,960	(148,089)
Intergovernmental	3,485,296	11,755,704	2,721,231	(9,034,473)
Charges for Services	5,303,174	5,423,174	7,379,764	1,956,590
Investment Earnings (Loss)	2,500,000	2,500,000	2,230,691	(269,309)
Payment in Lieu of Taxes	12,708,525	12,708,525	11,260,481	(1,448,044)
Miscellaneous	1,087,345	1,523,376	2,049,938	526,562
Total Revenues	**114,362,399**	**123,799,338**	**118,093,539**	**(5,705,799)**
Expenditures:				
Current:				
Legislative	292,089	557,089	551,173	5,916
City Manager	4,632,012	6,207,602	4,632,843	1,574,759
City Attorney	1,817,828	1,969,317	1,985,117	(15,800)
City Clerk	872,660	959,772	811,771	148,001
Municipal Court	1,142,237	1,157,260	1,170,690	(13,430)
Finance	6,647,351	7,707,351	6,967,742	739,609
Human Resources	2,249,434	2,249,434	2,076,350	173,084
Information Technology	6,289,963	6,309,963	6,019,102	290,861
Economic Development	1,791,967	1,886,400	1,479,351	407,049
Development Services	4,220,617	4,469,268	3,712,430	756,838
Public Works	10,240,556	10,449,672	10,774,718	(325,046)
Police	36,033,475	36,451,949	36,393,776	58,173
Parks & Recreation	11,719,996	11,958,134	12,162,269	(204,135)
Library	2,836,897	3,379,071	3,110,499	268,572
Cultural Services	2,550,554	2,832,521	2,598,347	234,174
General Government	10,015,185	10,015,185	9,581,661	433,524
Capital Outlay	1,749,046	11,639,494	1,328,259	10,311,235
Debt Service				
Principal	425,000	425,000	851,262	(426,262)
Interest and debt service costs	728,420	728,420	664,099	64,321
Total Expenditures	**106,255,287**	**121,352,902**	**106,871,459**	**14,481,443**
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,107,112	2,446,436	11,222,080	8,775,644
Other Financing Sources (Uses):				
Transfers In	1,148,564	1,658,319	537,385	(1,120,934)
Transfers (Out)	(18,983,304)	(29,429,356)	(18,874,279)	10,555,077
Total Other Financing Sources (Uses)	**(17,834,740)**	**(27,771,037)**	**(18,336,894)**	**9,434,143**
Net Change in Fund Balance	(9,727,628)	(25,324,601)	(7,114,814)	18,209,787
Fund Balance--Beginning	**42,777,540**	**42,777,540**	**42,777,540**	**-**
Fund Balance--Ending	**$ 33,049,912**	**$ 17,452,939**	**$ 35,662,726**	**$ 18,209,787**

See accompanying independent auditors' report.

City of Loveland, Colorado
Loveland Urban Renewal Authority
Budgetary Comparison Schedule
For the Year Ended December 31, 2025

	Budgeted Amounts (unaudited)			
	Original	**Final**	**Actual**	**Difference with Final Budget**
Revenues:				
Taxes	$ 25,492,217	$ 25,492,217	$ 22,758,462	$ (2,733,755)
Intergovernmental	-	1,000,000	30,142	(969,858)
Investment Earnings (Loss)	36,948	36,948	259,368	222,420
Miscellaneous	10,000	10,000	-	(10,000)
Total Revenues	**25,539,165**	**26,539,165**	**23,047,972**	**(3,491,193)**
Expenditures:				
Current:				
Services	1,127,165	1,127,165	75,342	1,051,823
School District Fund	-	-	2,564,027	(2,564,027)
Distribution of Tax Increment Financing	23,000,000	23,000,000	19,764,300	3,235,700
Capital Outlay	-	4,000,000	-	4,000,000
Principal	208,020	208,020	-	208,020
Interest and debt service costs	39,590	39,590	24,452	15,138
Total Expenditures	**24,374,775**	**28,374,775**	**22,428,121**	**5,946,654**
Net Change in Fund Balance	1,164,390	(1,835,610)	619,851	2,455,461
Fund Balance--Beginning	**2,854,733**	**2,854,733**	**2,854,733**	**-**
Fund Balance--Ending	**$ 4,019,123**	**$ 1,019,123**	**$ 3,474,584**	**$ 2,455,461**

See accompanying independent auditors' report.

City of Loveland, Colorado
Transportation
Budgetary Comparison Schedule
For the Year Ended December 31, 2025

	Budgeted Amounts (unaudited) Original	Final	Actual	Difference with Final Budget
Revenues:				
Taxes	$ 92,700	$ 92,700	$ 89,568	$ (3,132)
Licenses and Permits	222,000	222,000	397,573	175,573
Intergovernmental	6,528,848	17,363,000	6,237,303	(11,125,697)
Charges for Services	4,939,955	4,939,955	5,578,900	638,945
Investment Earnings (Loss)	-	-	430,301	430,301
Miscellaneous	140,480	162,480	211,126	48,646
Total Revenues	**11,923,983**	**22,780,135**	**12,944,771**	**(9,835,364)**
Expenditures:				
Current:				
Public Works	12,753,626	18,880,816	14,398,843	4,481,973
Capital Outlay	16,765,847	54,466,225	21,389,801	33,076,424
Interest and debt service costs	31,124	31,124	31,124	-
Total Expenditures	**29,550,597**	**73,378,165**	**35,819,768**	**37,558,397**
Excess (Deficiency) of Revenues Over (Under) Expenditures	(17,626,614)	(50,598,030)	(22,874,997)	27,723,033
Other Financing Sources (Uses):				
Transfers In	18,988,380	33,550,380	20,053,244	(13,497,136)
Transfers (Out)	(61,361)	(393,960)	(189,911)	204,049
Total Other Financing Sources (Uses)	**18,927,019**	**33,156,420**	**19,863,333**	**(13,293,087)**
Net Change in Fund Balance	1,300,405	(17,441,610)	(3,011,664)	14,429,946
Fund Balance--Beginning	**19,143,143**	**19,143,143**	**19,143,143**	**-**
Fund Balance--Ending	**$ 20,443,548**	**$ 1,701,533**	**$ 16,131,479**	**$ 14,429,946**

See accompanying independent auditors' report.

City of Loveland, Colorado
Loveland Fire Rescue Authority
Budgetary Comparison Schedule
For the Year Ended December 31, 2025

	Budgeted Amounts (unaudited)			Difference with Final
	Original	Final	Actual	Budget
Revenues:				
Licenses and Permits	$ 804,000	$ 804,000	$ 883,258	$ 79,258
Intergovernmental	26,578,543	26,578,543	27,666,008	1,087,465
Charges for Services	1,607,986	1,607,986	1,648,559	40,573
Investment Earnings (Loss)	-	-	1,051,333	1,051,333
Miscellaneous	2,492,044	3,021,871	3,737,036	715,165
Total Revenues	**31,482,573**	**32,012,400**	**34,986,194**	**2,973,794**
Expenditures:				
Current:				
Fire	29,139,151	29,424,991	28,880,959	544,032
Capital Outlay	309,218	9,198,457	8,638,881	559,576
Principal	662,600	662,600	1,181,913	(519,313)
Interest and debt service costs	323,400	323,400	242,025	81,375
Total Expenditures	**30,434,369**	**39,609,448**	**38,943,778**	**665,670**
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,048,204	(7,597,048)	(3,957,584)	3,639,464
Other Financing Sources (Uses):				
Transfers (Out)	-	-	(21,158)	(21,158)
Issuance of bond proceeds	-	-	4,344,786	4,344,786
Total Other Financing Sources (Uses)	**-**	**-**	**4,323,628**	**4,323,628**
Net Change in Fund Balance	1,048,204	(7,597,048)	366,044	7,963,092
Fund Balance--Beginning	**16,099,893**	**16,099,893**	**16,099,893**	**-**
Fund Balance--Ending	**$ 17,148,097**	**$ 8,502,845**	**$ 16,465,937**	**$ 7,963,092**

See accompanying independent auditors' report.

Defined Benefit Plan Supplementary Information
Loveland And Rural Consolidated Volunteer Firefighters Pension Fund
Schedule of Contributions

Schedule of Contributions Multiyear

FY Ending December 31,	Actuarially Determined Contribution	Actual Contribution*	Percent
2025	$ 101,700	$ 101,700	100.00%
2024	171,258	171,258	100.00%
2023	179,392	179,392	100.00%
2022	179,302	179,302	100.00%
2021	240,164	240,164	100.00%
2020	167,365	167,365	100.00%
2019	123,400	123,400	100.00%
2018	173,178	173,178	100.00%
2017	101,670	101,670	100.00%
2016	177,764	177,764	100.00%

*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	7.00%
Retirement Age	50% per year of eligibility until 100% at age 65
Mortality	Pre-retirement : Pub-2010 Safety Healthy Employee Mortality Tables for males and females, amount-weighted, projected with the MP-2020 Ultimate projection scale, 60% multiplier for off-duty mortality. Post Retirement: Pub-2010 Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, projected with the MP-2020 Ultimate projection scale. Disabled: Pub-2010 Public Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, set forward five years projected with the MP-2020 Ultimate projection scale, with minimum probability of 3.5% for males and 2.5% for females.

City of Loveland, Colorado

Schedule of Changes in the Plan's Net Pension Liability and Related Ratios

Financial Reporting period ending December 31,	2025	2024	2023	2022	2021
Measurement period ending December 31,	2024	2023	2022	2021	2020
Total Pension Liability					
Service Cost					
Interest on the Total Pension Liability	234,166	244,446	258,785	268,704	260,104
Benefit Changes	244,756				
Difference between Expected and Actual Experience	(189,416)	-	(80,573)		273,482
Assumption Changes	271,130	-	13,779		
Benefit Payments	(398,140)	(384,709)	(408,563)	(412,165)	(409,356)
Net Change in Total Pension Liability	162,496	(140,263)	(216,572)	(143,461)	124,230
Total Pension Liability - Beginning	3,540,927	3,681,190	3,897,762	4,041,223	3,916,993
Total Pension Liability - Ending (a)	3,703,423	3,540,927	3,681,190	3,897,762	4,041,223
Plan Fiduciary Net Position					
Employer Contributions	101,700	101,700	101,700	101,700	101,700
Pension Plan Net Investment Income	192,624	197,623	(211,786)	352,164	291,913
Benefit Payments	(398,140)	(384,709)	(408,563)	(412,165)	(409,356)
Pension Plan Administrative Expense	(20,211)	(22,315)	(18,754)	(18,509)	(14,563)
State of Colorado Supplemental Discretionary Payment		77,692	77,602	138,464	65,665
Net Change in Plan Fiduciary Net Position	(124,027)	(30,009)	(459,801)	161,654	35,359
Plan Fiduciary Net Position - Beginning	2,178,190	2,208,199	2,668,000	2,506,346	2,470,987
Plan Fiduciary Net Position - Ending (b)	2,054,163	2,178,190	2,208,199	2,668,000	2,506,346
Net Pension Liability - Ending (a) - (b)	$ 1,649,260	$ 1,362,737	$ 1,472,991	$ 1,229,762	$ 1,534,877
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	55.47%	61.51%	59.99%	68.45%	62.02%
Covered Payroll	N/A	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	N/A

2020	2019	2018	2017	2016
2019	2018	2017	2016	2015
$ -	$ -	$ -	$ 7,212	$ 7,212
270,052	275,919	284,838	251,537	260,183
-		-	259,856	-
-	188,728	-	173,817	-
-	126,564	-	152,811	-
(414,869)	(409,231)	(398,494)	(396,888)	(368,980)
(144,817)	181,980	(113,656)	448,345	(101,585)
4,061,810	3,879,830	3,993,486	3,545,141	3,646,726
3,916,993	4,061,810	3,879,830	3,993,486	3,545,141
123,400		101,670	91,175	101,434
334,026	2,940	360,131	133,811	51,437
(414,869)	(409,231)	(398,494)	(396,888)	(368,980)
(16,647)	(14,627)	(14,890)	(4,314)	(6,397)
-	173,178	-	86,589	86,589
25,910	(247,740)	48,417	(89,627)	(135,917)
2,445,077	2,692,817	2,644,400	2,734,027	2,869,944
2,470,987	2,445,077	2,692,817	2,644,400	2,734,027
$ 1,446,006	$ 1,616,733	$ 1,187,013	$ 1,349,086	$ 811,114
63.08%	60.20%	69.41%	66.22%	77.12%
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A

Notes to Required Supplementary Information (RSI)

Budgets and Budgetary Accounting

The City follows these procedures in establishing the budget as reflected in the financial statements:

- Prior to September 20, the City Manager submits to the City Council, a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 15, the budget is legally enacted through passage of an ordinance. This ordinance authorizes a lump-sum expenditure budget for the City taken as a whole. An appropriation ordinance is also adopted which allocates the total budget to each individual fund. This allocation of the appropriation may not be legally exceeded by an individual fund.
- Funds are budgeted at the fund level.
- Supplemental appropriations are approved on an individual fund level basis. Supplemental appropriations of $318,226,295 were approved during 2025 - of which $180,128,625 was for non-lapsing capital and grant funded projects, $32,860,510 was approved via the "Mid-Year Budget Package" and $46,637,007 was approved via the "Year-End Budget Package". Management may revise budgets within an individual fund for internal management purposes. Increases to an individual fund's appropriated total and transfers between funds must be approved by City Council. Budgets included in this report reflect all supplemental appropriations legally adopted by City Council.
- Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Capital Projects Funds, and Permanent Funds.
- Budgets for the General, Special Revenue, the City's Capital Projects Fund, and all Permanent Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP) with the exception that the proceeds and uses of new capital leases are not budgeted. For Special Improvement District No. 1, one budget was adopted for the district. Budgets for Enterprise and Internal Service are adopted to fulfill statutory requirements and are prepared on an appropriation basis. Principally, the appropriation basis of budgeting provides for a full accrual basis of accounting, capital expenditures, and bond principal payments but does not provide for depreciation, amortization, or for estimated claims liabilities.
- All appropriations lapse at year-end per State statutes except for grants and capital projects. This change was adopted by the City of Loveland Council in 2019. Any capital or grant project with available budget is eligible for rollover into the next fiscal year.
- The Capital Projects fund and the Community Development Block Grant fund show negative fund balances as of December 31, 2025. The shortage in the Capital Projects fund is due to projects not being fully funded. Funds are being transferred from other funds to reduce the deficit. The shortage in the Community Development Block Grant fund is due to revenue not being available and being recorded as a deferred inflow in the financial statements. The revenue will be recognized in 2026 to eliminate the fund deficit.
- The Capital Projects fund had a deficit final budget due to a negative fund balance at the end of 2024. Measures continue to be taken to eliminate the fund deficit, and will also be considered for budget purposes. The Community Development Block Grant fund also had a deficit budget due to a beginning negative fund balance at the end of 2024. When revenue is recognized in 2024, negative fund balances in the original and final budgets will be eliminated. To ensure budget deficits are eliminated going forward, the budgets for these funds will be reviewed by Finance staff.
- The Police Seizures & Forfeitures fund had a negative variance between final budget and actual of $16 due to a decision to allocate bank fees to funds. An expenditure budget will be done going forward to account for those charges.
- 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, 2025

	Budgeted Amounts (unaudited)			
	Original	**Final**	**Actual**	**Difference with Final Budget**
Revenues:				
Intergovernmental	$ 1,329,251	$ 2,100,000	$ 653,591	$ (1,446,409)
Charges for Services	9,207,594	9,207,594	5,108,226	(4,099,368)
Investment Earnings (Loss)	54,621	54,621	2,446,199	2,391,578
Miscellaneous	142,243	142,243	64,537	(77,706)
Total Revenues	**10,733,709**	**11,504,458**	**8,272,553**	**(3,231,905)**
Expenditures				
Police	-	1,700,000	1,694,752	5,248
Parks & Recreation	9,953	140,981	95,692	45,289
Library	-	-	1,551	(1,551)
Cultural Services	-	-	9,858	(9,858)
General Government	-	-	12,330	(12,330)
Capital Outlay	4,795,825	17,382,547	2,581,192	14,801,355
Total Expenditures	**4,805,778**	**19,223,528**	**4,395,375**	**14,828,153**
Excess (deficiency) of revenues over (under) expenditures	5,927,931	(7,719,070)	3,877,178	11,596,248
Other Financing Sources (Uses):				
Transfers (Out)	-	(3,844,099)	(4,206,402)	(362,303)
Total Other Financing Sources (Uses)	**-**	**(3,844,099)**	**(4,206,402)**	**(362,303)**
Net Change in Fund Balance	5,927,931	(11,563,169)	(329,224)	11,233,945
Fund Balance--Beginning	**50,315,169**	**50,315,169**	**50,315,169**	**-**
Fund Balance--Ending	**$ 56,243,100**	**$ 38,752,000**	**$ 49,985,945**	**$ 11,233,945**

See accompanying independent auditors' report.

City of Loveland, Colorado
Capital Project Funds
Budgetary Comparison Schedule
For the Year Ended December 31, 2025

	Budgeted Amounts (unaudited)			Difference with Final
	Original	**Final**	**Actual**	**Budget**
Revenues:				
Intergovernmental	$ -	$ 1,400,000	$ -	$ (1,400,000)
Investment Earnings (Loss)	-	-	227,888	227,888
Miscellaneous	-	2,030,000	994,664	(1,035,336)
Total Revenues	**-**	**3,430,000**	**1,222,552**	**(2,207,448)**
Expenditures				
Information Technology	510,000	1,900,000	515,654	1,384,346
Public Works	-	2,088,724	1,052,577	1,036,147
Capital Outlay	4,980,614	23,594,986	8,085,191	15,509,795
Total Expenditures	**5,490,614**	**27,583,710**	**9,653,422**	**17,930,288**
Excess (deficiency) of revenues over (under) expenditures	(5,490,614)	(24,153,710)	(8,430,870)	15,722,840
Other Financing Sources (Uses):				
Transfers In	6,179,024	24,350,759	8,635,788	(15,714,971)
Transfers (Out)	(108,410)	(129,923)	(28,663)	101,260
Total Other Financing Sources (Uses)	**6,070,614**	**24,220,836**	**8,607,125**	**(15,613,711)**
Net Change in Fund Balance	580,000	67,126	176,255	109,129
Fund Balance--Beginning	**(506,272)**	**(506,272)**	**(506,272)**	**-**
Fund Balance--Ending	**$ 73,728**	**$ (439,146)**	**$ (330,017)**	**$ 109,129**

See accompanying independent auditors' report.

Non-Major Government Funds

SPECIAL REVENUE FUNDS

GENERAL IMPROVEMENT DISTRICT #1—to account for operations and maintenance of downtown parking lots and landscaping. Financing is provided by a special mill levy.

CONSERVATION TRUST—to account for Parks & Recreation improvements, developments or acquisitions. Financing to be provided from State operated lottery. These funds can only be used for parks and recreation by State law. The fund is required by State Statute.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) — to account for CDBG grant monies that are received by the City of Loveland for being an entitlement city from the Department of HUD.

LARIMER COUNTY OPEN SPACE—to account for collection and expenditure of the City's allocation of County sales and use tax for open space acquisition.

LOVELAND/LARIMER BUILDING AUTHORITY—to account for the maintenance and operation of the Police and Courts Building.

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

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

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

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

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

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

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

PARKS & RECREATION IMPROVEMENT - to account for the improvement of existing parks. Financing is provided by user fees and the sale of undeveloped and unused park land.

PERMANENT FUND

PERPETUAL CARE—to account for monies provided for ongoing maintenance of the cemetery once the cemetery is filled. Financing provided from portion of lot sales at the cemetery and interest income.

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City of Loveland, Colorado
Combining Balance Sheet
Non-Major Governmental Funds
December 31, 2025

	SPECIAL REVENUE					
	General Improvement District #1	Conservation Trust	Community Development Block Grant	Larimer County Open Space	Downtown Development Authority TIF	Loveland/ Larimer Building Authority
ASSETS						
Cash	$ -	$ -	$ -	$ -	$ -	$ -
Equity in Pooled Cash	80,503	1,505,235	46,339	2,240,512	488,934	2,219
Equity in Pooled Investments	275,654	3,925,989	43,637	5,639,068	1,307,355	2,241
Receivables (Net):						
Taxes	80,862	-	-	556,935	1,324,292	-
Accounts	-	-	-	3,585	-	44,322
Grants	-	679,363	134,896	542,678	-	-
Lease Receivable	-	-	-	503,700	-	-
Accrued Interest	1,634	29,328	485	41,837	21,484	-
Inventory	-	-	-	-	-	-
Restricted Assets:						
Equity in Pooled Restricted Cash	-	500,000	-	1,235,320	12,311,088	-
Total Assets	**438,653**	**6,639,915**	**225,357**	**10,763,635**	**15,453,153**	**48,782**
LIABILITIES						
Accounts Payable	8,545	29,821	184,371	175,663	4,400	19,787
Accrued Liabilities	-	21,407	2,743	56,995	-	3,995
Due to Other Funds	-	-	-	-	2,062,137	25,000
Total Liabilities	**8,545**	**51,228**	**187,114**	**232,658**	**2,066,537**	**48,782**
DEFERRED INFLOWS OF RESOURCES						
Property Taxes	80,388	-	-	-	1,323,663	-
Leases	-	-	-	441,671	-	-
Unavailable Other Revenue	-	679,363	125,505	542,678	-	-
Total Deferred Inflows of Resources	80,388	679,363	125,505	984,349	1,323,663	-
Total Liabilities and Deferred Inflows of Resources	**88,933**	**730,591**	**312,619**	**1,217,007**	**3,390,200**	**48,782**
Fund Balances:						
Nonspendable	-	-	-	-	-	-
Restricted	349,720	5,909,324	-	9,546,628	12,062,953	-
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	(87,262)	-	-	-
Total Fund Balances	**349,720**	**5,909,324**	**(87,262)**	**9,546,628**	**12,062,953**	**-**
Total Liabilities and Fund Balances	**$ 438,653**	**$ 6,639,915**	**$ 225,357**	**$ 10,763,635**	**$ 15,453,153**	**$ 48,782**

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**
$ -	$ -	$ 600	$ -	$ -	$ -	$ -	$ -
133,474	11,698	382,127	95,995	64,959	289,360	189,288	1,116,598
1,486,133	42,170	982,647	220,258	164,853	796,959	401,380	3,097,928
-	-	78,266	8,491	-	-	-	-
-	-	37,208	-	-	47,082	-	-
-	-	8,082	-	-	-	-	-
-	-	235,178	-	-	-	-	-
10,137	263	6,738	1,531	1,074	6,405	4,077	20,696
-	-	55,417	-	-	-	-	-
-	-	-	-	-	-	267,039	-
1,629,744	**54,131**	**1,786,263**	**326,275**	**230,886**	**1,139,806**	**861,784**	**4,235,222**
-	-	74,063	-	158	7,339	2,854	57
-	-	33,332	-	-	4,423	-	-
-	-	-	-	-	-	-	-
-	**-**	**107,395**	**-**	**158**	**11,762**	**2,854**	**57**
-	-	-	-	-	-	-	-
-	-	210,852	-	-	-	-	-
-	-	8,282	-	-	-	-	-
-	-	219,134	-	-	-	-	-
-	**-**	**326,529**	**-**	**158**	**11,762**	**2,854**	**57**
-	-	55,417	-	-	-	-	4,235,165
-	54,131	1,404,317	-	-	1,128,044	267,039	-
1,629,744	-	-	326,275	-	-	-	-
-	-	-	-	230,728	-	591,891	-
-	-	-	-	-	-	-	-
1,629,744	**54,131**	**1,459,734**	**326,275**	**230,728**	**1,128,044**	**858,930**	**4,235,165**
$ 1,629,744	**$ 54,131**	**$ 1,786,263**	**$ 326,275**	**$ 230,886**	**$ 1,139,806**	**$ 861,784**	**$ 4,235,222**

(Continued)

City of Loveland, Colorado
Combining Balance Sheet
Non-Major Governmental Funds
December 31, 2025

		Total
ASSETS		
Cash	$	600
Equity in Pooled Cash		6,647,241
Equity in Pooled Investments		18,386,272
Receivables (Net):		
Taxes		2,048,846
Accounts		132,197
Grants		1,365,019
Lease Receivable		738,878
Accrued Interest		145,689
Inventory		55,417
Restricted Assets:		
Equity in Pooled Restricted Cash		14,313,447
Total Assets		**43,833,606**
LIABILITIES		
Accounts Payable		507,058
Accrued Liabilities		122,895
Due to Other Funds		2,087,137
Total Liabilities		**2,717,090**
DEFERRED INFLOWS OF RESOURCES		
Property Taxes		1,404,051
Leases		652,523
Unavailable Other Revenue		1,355,828
Total Deferred Inflows of Resources		3,412,402
Total Liabilities and Deferred Inflows of Resources		**6,129,492**
Fund Balances:		
Nonspendable		4,290,582
Restricted		30,722,156
Committed		1,956,019
Assigned		822,619
Unassigned		(87,262)
Total Fund Balances		**37,704,114**
Total Liabilities and Fund Balances	**$**	**43,833,606**

See accompanying independent auditors' report.

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City of Loveland, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended December 31, 2025

	SPECIAL REVENUE					
	General Improvement District #1	Conservation Trust	Community Development Block Grant	Larimer County Open Space	Downtown Development Authority TIF	Loveland/ Larimer Building Authority
Revenues:						
Taxes	$ 68,444	$ -	$ -	$ 3,241,558	$ 1,185,820	$ -
Intergovernmental	-	3,103,967	526,836	-	-	564,336
Charges for Services	-	-	-	-	-	-
Investment Earnings (Loss)	18,891	253,177	1,552	441,687	639,257	64
Miscellaneous	-	367	4	185,061	-	586
Total Revenues	**87,335**	**3,357,511**	**528,392**	**3,868,306**	**1,825,077**	**564,986**
Expenditures:						
Current:						
City Manager	-	-	548,699	-	-	-
Information Technology	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-
Public Works	-	-	-	-	-	564,986
Police	-	-	-	-	-	-
Parks & Recreation	-	539,296	-	2,148,874	-	-
General Government	3,252	-	-	-	63,200	-
Capital Outlay	11,029	1,332,488	-	1,578,003	-	-
Principal	-	-	-	-	454,241	-
Interest and debt service costs	-	-	-	-	702,200	-
Total Expenditures	**14,281**	**1,871,784**	**548,699**	**3,726,877**	**1,219,641**	**564,986**
Excess (Deficiency) of Revenues Over Expenditures	73,054	1,485,727	(20,307)	141,429	605,436	-
Other Financing Sources (Uses):						
Transfers In	-	-	-	-	-	-
Transfers (Out)	-	-	-	(12,565)	(5,576,522)	-
Issuance of bond proceeds	-	-	-	-	12,710,352	-
Total Other Financing Sources (Uses)	-	-	-	(12,565)	7,133,830	-
Net Change in Fund Balance	73,054	1,485,727	(20,307)	128,864	7,739,266	-
Fund Balances - Beginning as previously reported	**276,666**	**4,423,597**	**(66,955)**	**9,417,764**	**4,515,123**	**-**
Adjustment - change in financial reporting entity (note 18)	**-**	**-**	**-**	**-**	**(191,436)**	**-**
Fund Balance - Beginning, restated	**276,666**	**4,423,597**	**(66,955)**	**9,417,764**	**4,323,687**	**-**
Fund Balances - Ending	**$ 349,720**	**$ 5,909,324**	**$ (87,262)**	**$ 9,546,628**	**$ 12,062,953**	**$ -**

See accompanying independent auditors' report.

SPECIAL REVENUE						CAPITAL PROJECTS	PERMANENT FUND
Affordable Housing	**Police Seizures & Forfeitures**	**Lodging Tax**	**PEG Fee**	**Fiber Network**	**Police Training Campus**	**Parks & Recreation Improvement**	**Perpetual Care**
$ -	$ -	$ 1,414,375	$ 42,940	$ -	$ -	$ -	$ -
-	-	58,805	-	-	476,994	607	-
-	-	-	-	-	102,582	114,030	135,380
88,303	2,450	54,878	12,814	11,165	37,806	35,532	187,423
11,342	-	273,213	165	22	12,970	6,488	-
99,645	**2,450**	**1,801,271**	**55,919**	**11,187**	**630,352**	**156,657**	**322,803**
556,221	-	-	-	-	-	-	-
-	-	-	5,615	7,025	-	-	-
-	-	1,538,549	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	329,602	-	-
-	-	-	-	-	-	31,865	1,178
559	16	341	82	63	250	-	-
-	-	-	-	-	-	278,766	15,015
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
556,780	**16**	**1,538,890**	**5,697**	**7,088**	**329,852**	**310,631**	**16,193**
(457,135)	2,434	262,381	50,222	4,099	300,500	(153,974)	306,610
-	-	5,000	-	-	-	-	-
-	-	(10,000)	-	-	-	(2,763)	-
-	-	-	-	-	-	-	-
-	-	(5,000)	-	-	-	(2,763)	-
(457,135)	2,434	257,381	50,222	4,099	300,500	(156,737)	306,610
2,086,879	**51,697**	**1,202,353**	**276,053**	**226,629**	**827,544**	**1,015,667**	**3,928,555**
-	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2,086,879	**51,697**	**1,202,353**	**276,053**	**226,629**	**827,544**	**1,015,667**	**3,928,555**
$ 1,629,744	**$ 54,131**	**$ 1,459,734**	**$ 326,275**	**$ 230,728**	**$ 1,128,044**	**$ 858,930**	**$ 4,235,165**

(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, 2025

		Total
Revenues:		
Taxes	$	5,953,137
Intergovernmental		4,731,545
Charges for Services		351,992
Investment Earnings (Loss)		1,784,999
Miscellaneous		490,218
Total Revenues		**13,311,891**
Expenditures:		
Current:		
City Manager		1,104,920
Information Technology		12,640
Economic Development		1,538,549
Public Works		564,986
Police		329,602
Parks & Recreation		2,721,213
General Government		67,763
Capital Outlay		3,215,301
Principal		454,241
Interest and debt service costs		702,200
Total Expenditures		**10,711,415**
Excess (Deficiency) of Revenues Over Expenditures		2,600,476
Other Financing Sources (Uses):		
Transfers In		5,000
Transfers (Out)		(5,601,850)
Issuance of bond proceeds		12,710,352
Total Other Financing Sources (Uses)		7,113,502
Net Change in Fund Balance		9,713,978
Fund Balances - Beginning as previously reported		**28,181,572**
Adjustment - change in financial reporting entity (note 18)		**(191,436)**
Fund Balance - Beginning, restated		**27,990,136**
Fund Balances - Ending	**$**	**37,704,114**

See accompanying independent auditors' report.

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City of Loveland, Colorado
General Improvement District #1
Budgetary Comparison Schedule
For the Year Ended December 31, 2025

	Budgeted Amounts (unaudited)			Difference with Final
	Original	**Final**	**Actual**	**Budget**
Revenues:				
Taxes	$ 79,500	$ 79,500	$ 68,444	$ (11,056)
Investment Earnings (Loss)	7,475	7,475	18,891	11,416
Total Revenues	**86,975**	**86,975**	**87,335**	**360**
Expenditures:				
Current:				
General Government	51,800	51,800	3,252	48,548
Capital Outlay	-	-	11,029	(11,029)
Total Expenditures	**51,800**	**51,800**	**14,281**	**37,519**
Net Change in Fund Balance	35,175	35,175	73,054	37,879
Fund Balance - Beginning	**276,666**	**276,666**	**276,666**	**-**
Fund Balance - Ending	**$ 311,841**	**$ 311,841**	**$ 349,720**	**$ 37,879**

See accompanying independent auditors' report.

City of Loveland, Colorado
Conservation Trust
Budgetary Comparison Schedule
For the Year Ended December 31, 2025

	Budgeted Amounts (unaudited)			
	Original	**Final**	**Actual**	**Difference with Final Budget**
Revenues:				
Intergovernmental	$ 1,857,019	$ 2,457,019	$ 3,103,967	$ 646,948
Investment Earnings (Loss)	45,000	45,000	253,177	208,177
Miscellaneous	-	-	367	367
Total Revenues	**1,902,019**	**2,502,019**	**3,357,511**	**855,492**
Expenditures:				
Current:				
Parks & Recreation	609,603	732,276	539,296	192,980
Capital Outlay	350,000	4,262,689	1,332,488	2,930,201
Total Expenditures	**959,603**	**4,994,965**	**1,871,784**	**3,123,181**
Net Change in Fund Balance	942,416	(2,492,946)	1,485,727	3,978,673
Fund Balance - Beginning	**4,423,597**	**4,423,597**	**4,423,597**	**-**
Fund Balance - Ending	**$ 5,366,013**	**$ 1,930,651**	**$ 5,909,324**	**$ 3,978,673**

See accompanying independent auditors' report.

City of Loveland, Colorado
Community Development Block Grant
Budgetary Comparison Schedule
For the Year Ended December 31, 2025

	Budgeted Amounts (unaudited)			
	Original	**Final**	**Actual**	**Difference with Final Budget**
Revenues:				
Intergovernmental	$ 361,246	$ 1,112,794	$ 526,836	$ (585,958)
Investment Earnings (Loss)	-	-	1,552	1,552
Miscellaneous	-	-	4	4
Total Revenues	**361,246**	**1,112,794**	**528,392**	**(584,402)**
Expenditures:				
Current:				
City Manager	378,506	1,130,054	548,699	581,355
Total Expenditures	**378,506**	**1,130,054**	**548,699**	**581,355**
Net Change in Fund Balance	(17,260)	(17,260)	(20,307)	(3,047)
Fund Balance - Beginning	**(66,955)**	**(66,955)**	**(66,955)**	**-**
Fund Balance - Ending	**$ (84,215)**	**$ (84,215)**	**$ (87,262)**	**$ (3,047)**

See accompanying independent auditors' report.

City of Loveland, Colorado
Larimer County Open Space
Budgetary Comparison Schedule
For the Year Ended December 31, 2025

	Budgeted Amounts (unaudited) Original	Budgeted Amounts (unaudited) Final	Actual	Difference with Final Budget
Revenues:				
Taxes	$ 2,800,000	$ 2,800,000	$ 3,241,558	$ 441,558
Intergovernmental	-	170,000	-	(170,000)
Investment Earnings (Loss)	100,000	100,000	441,687	341,687
Miscellaneous	120,000	120,000	185,061	65,061
Total Revenues	**3,020,000**	**3,190,000**	**3,868,306**	**678,306**
Expenditures:				
Parks & Recreation	2,195,410	2,911,430	2,148,874	762,556
Capital Outlay	1,660,000	8,595,862	1,578,003	7,017,859
Total Expenditures	**3,855,410**	**11,507,292**	**3,726,877**	**7,780,415**
Excess (Deficiency) of Revenues Over (Under) Expenditures	(835,410)	(8,317,292)	141,429	8,458,721
Other Financing Sources (Uses):				
Transfers (Out)	-	-	(12,565)	(12,565)
Total Other Financing Sources (Uses)	**-**	**-**	**(12,565)**	**(12,565)**
Net Change in Fund Balance	(835,410)	(8,317,292)	128,864	8,446,156
Fund Balance - Beginning	**9,417,764**	**9,417,764**	**9,417,764**	**-**
Fund Balance - Ending	**$ 8,582,354**	**$ 1,100,472**	**$ 9,546,628**	**$ 8,446,156**

See accompanying independent auditors' report.

City of Loveland, Colorado
Downtown Development Authority TIF
Budgetary Comparison Schedule
For the Year Ended December 31, 2025

	Budgeted Amounts (unaudited) Original	Budgeted Amounts (unaudited) Final	Actual	Difference with Final Budget
Revenues:				
Taxes	$ 1,525,000	$ 1,525,000	$ 1,185,820	$ (339,180)
Investment Earnings (Loss)	70,803	70,803	639,257	568,454
Miscellaneous	200,000	200,000	-	(200,000)
Total Revenues	**1,795,803**	**1,795,803**	**1,825,077**	**29,274**
Expenditures:				
General Government	1,595,641	1,095,641	63,200	1,032,441
Capital Outlay	376,740	376,740	-	376,740
Principal	89,204	89,204	454,241	(365,037)
Interest and debt service costs	29,063	29,063	702,200	(673,137)
Total Expenditures	**2,090,648**	**1,590,648**	**1,219,641**	**371,007**
Excess (Deficiency) of Revenues Over (Under) Expenditures	(294,845)	205,155	605,436	400,281
Other Financing Sources (Uses):				
Transfers In	1,138,000	1,138,000	-	(1,138,000)
Transfers (Out)	(13,638,000)	(13,638,000)	(5,576,522)	8,061,478
Issuance of bond proceeds	12,500,000	12,500,000	12,710,352	210,352
Total Other Financing Sources (Uses)	**-**	**-**	**7,133,830**	**7,133,830**
Net Change in Fund Balance	(294,845)	205,155	7,739,266	7,534,111
Fund Balance - Beginning as previously reported	**4,515,123**	**4,515,123**	**4,515,123**	**-**
Adjustment - change in financial reporting entity (note 18)	**-**	**-**	**(191,436)**	**(191,436)**
Fund Balance - Beginning, restated	**4,515,123**	**4,515,123**	**4,323,687**	**(191,436)**
Fund Balance - Ending	**$ 4,220,278**	**$ 4,720,278**	**$ 12,062,953**	**$ 7,342,675**

See accompanying independent auditors' report.

City of Loveland, Colorado
Loveland Larimer Building Authority
Budgetary Comparison Schedule
For the Year Ended December 31, 2025

	Budgeted Amounts (unaudited)			
	Original	**Final**	**Actual**	**Difference with Final Budget**
Revenues:				
Intergovernmental	$ 681,594	$ 756,594	$ 564,336	$ (192,258)
Investment Earnings (Loss)	-	-	64	64
Miscellaneous	-	-	586	586
Total Revenues	**681,594**	**756,594**	**564,986**	**(191,608)**
Expenditures:				
Current:				
Public Works	556,517	656,270	564,986	91,284
Capital Outlay	-	96,000	-	96,000
Total Expenditures	**556,517**	**752,270**	**564,986**	**187,284**
Net Change in Fund Balance	125,077	4,324	-	(4,324)
Fund Balance - Beginning	**-**	**-**	**-**	**-**
Fund Balance - Ending	**$ 125,077**	**$ 4,324**	**$ -**	**$ (4,324)**

See accompanying independent auditors' report.

City of Loveland, Colorado
Affordable Housing
Budgetary Comparison Schedule
For the Year Ended December 31, 2025

	Budgeted Amounts (unaudited)			
	Original	Final	Actual	Difference with Final Budget
Revenues:				
Investment Earnings (Loss)	$ -	$ -	$ 88,303	$ 88,303
Miscellaneous	-	-	11,342	11,342
Total Revenues	**-**	**-**	**99,645**	**99,645**
Expenditures:				
City Manager	450,000	1,753,071	556,221	1,196,850
General Government	-	-	559	(559)
Total Expenditures	**450,000**	**1,753,071**	**556,780**	**1,196,291**
Excess (Deficiency) of Revenues Over (Under) Expenditures	(450,000)	(1,753,071)	(457,135)	1,295,936
Other Financing Sources (Uses):				
Transfers In	450,000	-	-	-
Total Other Financing Sources (Uses)	**450,000**	**-**	**-**	**-**
Net Change in Fund Balance	-	(1,753,071)	(457,135)	1,295,936
Fund Balance - Beginning	**2,086,879**	**2,086,879**	**2,086,879**	**-**
Fund Balance - Ending	**$ 2,086,879**	**$ 333,808**	**$ 1,629,744**	**$ 1,295,936**

See accompanying independent auditors' report.

City of Loveland, Colorado
Police Seizures & Forfeitures
Budgetary Comparison Schedule
For the Year Ended December 31, 2025

	Budgeted Amounts (unaudited)			Difference with Final
	Original	**Final**	**Actual**	**Budget**
Revenues:				
Investment Earnings (Loss)	$ -	$ -	$ 2,450	$ 2,450
Total Revenues	**-**	**-**	**2,450**	**2,450**
Expenditures:				
General Government	-	-	16	(16)
Total Expenditures	**-**	**-**	**16**	**(16)**
Net Change in Fund Balance	-	-	2,434	2,434
Fund Balance - Beginning	**51,697**	**51,697**	**51,697**	**-**
Fund Balance - Ending	**$ 51,697**	**$ 51,697**	**$ 54,131**	**$ 2,434**

See accompanying independent auditors' report.

City of Loveland, Colorado
Lodging Tax
Budgetary Comparison Schedule
For the Year Ended December 31, 2025

	Budgeted Amounts (unaudited)			Difference with Final
	Original	**Final**	**Actual**	**Budget**
Revenues:				
Taxes	$ 1,464,244	$ 1,464,244	$ 1,414,375	$ (49,869)
Intergovernmental	-	-	58,805	58,805
Investment Earnings (Loss)	-	-	54,878	54,878
Miscellaneous	244,200	244,200	273,213	29,013
Total Revenues	**1,708,444**	**1,708,444**	**1,801,271**	**92,827**
Expenditures:				
Economic Development	1,638,047	1,756,447	1,538,549	217,898
General Government	-	-	341	(341)
Total Expenditures	**1,638,047**	**1,756,447**	**1,538,890**	**217,557**
Excess (Deficiency) of Revenues Over (Under) Expenditures	70,397	(48,003)	262,381	310,384
Other Financing Sources (Uses):				
Transfers In	-	5,000	5,000	-
Transfers (Out)	(10,000)	(56,215)	(10,000)	46,215
Total Other Financing Sources (Uses)	**(10,000)**	**(51,215)**	**(5,000)**	**46,215**
Net Change in Fund Balance	60,397	(99,218)	257,381	356,599
Fund Balance - Beginning	**1,202,353**	**1,202,353**	**1,202,353**	**-**
Fund Balance - Ending	**$ 1,262,750**	**$ 1,103,135**	**$ 1,459,734**	**$ 356,599**

See accompanying independent auditors' report.

City of Loveland, Colorado
PEG Fee
Budgetary Comparison Schedule
For the Year Ended December 31, 2025

	Budgeted Amounts (unaudited) Original	Budgeted Amounts (unaudited) Final	Actual	Difference with Final Budget
Revenues:				
Taxes	$ 80,000	$ 80,000	$ 42,940	$ (37,060)
Investment Earnings (Loss)	-	-	12,814	12,814
Miscellaneous	-	-	165	165
Total Revenues	**80,000**	**80,000**	**55,919**	**(24,081)**
Expenditures:				
Current:				
Information Technology	50,000	50,000	5,615	44,385
General Government	-	-	82	(82)
Capital Outlay:				
Capital Outlay	50,000	50,000	-	50,000
Total Expenditures	**100,000**	**100,000**	**5,697**	**94,303**
Net Change in Fund Balance	(20,000)	(20,000)	50,222	70,222
Fund Balance - Beginning	**276,053**	**276,053**	**276,053**	**-**
Fund Balance - Ending	**$ 256,053**	**$ 256,053**	**$ 326,275**	**$ 70,222**

See accompanying independent auditors' report.

City of Loveland, Colorado
Fiber Network
Budgetary Comparison Schedule
For the Year Ended December 31, 2025

	Budgeted Amounts (unaudited)			
	Original	**Final**	**Actual**	**Difference with Final Budget**
Revenues:				
Investment Earnings (Loss)	$ -	$ -	$ 11,165	$ 11,165
Miscellaneous	-	-	22	22
Total Revenues	**-**	**-**	**11,187**	**11,187**
Expenditures:				
Information Technology	25,000	25,000	7,025	17,975
General Government	-	-	63	(63)
Capital Outlay	125,000	125,000	-	125,000
Total Expenditures	**150,000**	**150,000**	**7,088**	**142,912**
Net Change in Fund Balance	(150,000)	(150,000)	4,099	154,099
Fund Balance - Beginning	**226,629**	**226,629**	**226,629**	**-**
Fund Balance - Ending	**$ 76,629**	**$ 76,629**	**$ 230,728**	**$ 154,099**

See accompanying independent auditors' report.

City of Loveland, Colorado
Police Training Campus
Budgetary Comparison Schedule
For the Year Ended December 31, 2025

	Budgeted Amounts (unaudited)			
	Original	Final	Actual	Difference with Final Budget
Revenues:				
Intergovernmental	$ 650,572	$ 605,086	$ 476,994	$ (128,092)
Charges for Services	59,514	105,000	102,582	(2,418)
Investment Earnings (Loss)	-	-	37,806	37,806
Miscellaneous	-	-	12,970	12,970
Total Revenues	**710,086**	**710,086**	**630,352**	**(79,734)**
Expenditures:				
Police	581,994	581,994	329,602	252,392
General Government	-	-	250	(250)
Total Expenditures	**581,994**	**581,994**	**329,852**	**252,142**
Net Change in Fund Balance	128,092	128,092	300,500	172,408
Fund Balance - Beginning	**827,544**	**827,544**	**827,544**	**-**
Fund Balance - Ending	**$ 955,636**	**$ 955,636**	**$ 1,128,044**	**$ 172,408**

See accompanying independent auditors' report.

City of Loveland, Colorado
Parks & Recreation Improvement
Budgetary Comparison Schedule
For the Year Ended December 31, 2025

	Budgeted Amounts (unaudited) Original	Budgeted Amounts (unaudited) Final	Actual	Difference with Final Budget
Revenues:				
Intergovernmental	$ 1,700	$ 1,700	$ 607	$ (1,093)
Charges for Services	56,652	56,652	114,030	57,378
Investment Earnings (Loss)	6,260	6,260	35,532	29,272
Miscellaneous	-	-	6,488	6,488
Total Revenues	**64,612**	**64,612**	**156,657**	**92,045**
Expenditures:				
Parks & Recreation	-	-	31,865	(31,865)
Capital Outlay	-	956,580	278,766	677,814
Total Expenditures	**-**	**956,580**	**310,631**	**645,949**
Excess (Deficiency) of Revenues Over (Under) Expenditures	64,612	(891,968)	(153,974)	737,994
Other Financing Sources (Uses):				
Transfers (Out)	-	-	(2,763)	(2,763)
Total Other Financing Sources (Uses)	**-**	**-**	**(2,763)**	**(2,763)**
Net Change in Fund Balance	64,612	(891,968)	(156,737)	735,231
Fund Balance - Beginning	**1,015,667**	**1,015,667**	**1,015,667**	**-**
Fund Balance - Ending	**$ 1,080,279**	**$ 123,699**	**$ 858,930**	**$ 735,231**

See accompanying independent auditors' report.

City of Loveland, Colorado
Perpetual Care
Budgetary Comparison Schedule
For the Year Ended December 31, 2025

	Budgeted Amounts (unaudited) Original	Budgeted Amounts (unaudited) Final	Actual	Difference with Final Budget
Revenues:				
Charges for Services	$ 59,666	$ 59,666	$ 135,380	$ 75,714
Investment Earnings (Loss)	55,006	55,006	187,423	132,417
Total Revenues	**114,672**	**114,672**	**322,803**	**208,131**
Expenditures:				
Parks & Recreation	-	-	1,178	(1,178)
Capital Outlay	-	45,325	15,015	30,310
Total Expenditures	**-**	**45,325**	**16,193**	**29,132**
Net Change in Fund Balance	114,672	69,347	306,610	237,263
Fund Balance--Beginning	**3,928,555**	**3,928,555**	**3,928,555**	**-**
Fund Balance--Ending	**$ 4,043,227**	**$ 3,997,902**	**$ 4,235,165**	**$ 237,263**

See accompanying independent auditors' report.

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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, 2025

	Budgeted Amounts (unaudited) Original	Final	Actual	Difference with Final Budget
Revenues:				
Charges for Services	$ 26,932,030	$ 26,932,030	$ 24,898,969	$ (2,033,061)
Cash in Lieu of Water Rights	1,282,559	1,282,559	2,198,487	915,928
Miscellaneous	1,991,347	2,987,754	4,611,169	1,623,415
Investment Earnings (Loss)	216,129	216,129	2,816,612	2,600,483
System Impact/Development Fees	4,720,398	4,720,398	2,607,021	(2,113,377)
Raw Water Development Fees	671,021	671,021	968,547	297,526
Bond Proceeds	-	45,000,000	-	(45,000,000)
Capital Grant Contributions	-	990,559	90,703	(899,856)
Total Revenues	**35,813,484**	**82,800,450**	**38,191,508**	**(44,608,942)**
Expenditures:				
Personal Services	8,481,526	8,456,526	8,191,057	265,469
Supplies	2,187,325	2,415,735	2,190,276	225,459
Purchased Services	8,265,961	9,991,458	6,507,885	3,483,573
Payment for Services	1,884,820	1,884,820	1,601,103	283,717
Transfers (Out)	124,000	4,895,750	3,837,652	1,058,098
Capital Acquisitions	15,450,250	41,495,989	-	41,495,989
Interest and debt service costs	3,653,965	2,000,485	2,001,290	(805)
Bond Expenses	3,314,587	1,921,667	221,673	1,699,994
Total Expenditures	**43,362,434**	**73,062,430**	**24,550,936**	**48,511,494**
Net Change in Fund Balance	**(7,548,950)**	**9,738,020**	**13,640,572**	**3,902,552**
Reconciliation to Statement of Revenues, Expenditures and Changes in Fund Net Position:				
Gain on sale of capital asset			36,350	
Contributed Assets			2,395,366	
Depreciation			(4,838,195)	
Statement Total			$ 11,234,093	

See accompanying independent auditors' report.

City of Loveland, Colorado
Waste Water
Budgetary Comparison Schedule
For the Year Ended December 31, 2025

	Budgeted Amounts (unaudited) Original	Final	Actual	Difference with Final Budget
Revenues:				
Charges for Services	$ 19,978,955	$ 19,978,955	$ 19,749,679	$ (229,276)
Miscellaneous	296,509	377,361	350,286	(27,075)
Investment Earnings (Loss)	137,826	137,826	1,967,924	1,830,098
System Impact/Development Fees	3,925,308	3,925,308	1,074,123	(2,851,185)
Bond Proceeds	44,500,000	50,000,000	-	(50,000,000)
Aid to Construction	-	2,653,986	-	(2,653,986)
Total Revenues	**68,838,598**	**77,073,436**	**23,142,012**	**(53,931,424)**
Expenditures:				
Personal Services	6,403,430	6,378,430	6,115,614	262,816
Supplies	1,040,042	1,461,987	1,273,529	188,458
Purchased Services	5,432,276	5,891,848	4,569,860	1,321,988
Payment for Services	1,397,960	1,397,960	1,282,310	115,650
Transfers (Out)	434,200	3,932,950	2,766,434	1,166,516
Capital Acquisitions	48,210,673	62,441,480	-	62,441,480
Interest and debt service costs	697,878	697,878	1,449,693	(751,815)
Bond Expenses	955,000	955,000	215,370	739,630
Total Expenditures	**64,571,459**	**83,157,533**	**17,672,810**	**65,484,723**
Net Change in Fund Balance	**4,267,139**	**(6,084,097)**	**5,469,202**	**11,553,299**
Reconciliation to Statement of Revenues, Expenditures and Changes in Fund Net Position:				
Gain on sale of capital asset			51,285	
Contributed Assets			1,142,611	
Depreciation			(4,295,726)	
Statement Total			$ 2,367,372	

See accompanying independent auditors' report.

City of Loveland, Colorado
Stormwater
Budgetary Comparison Schedule
For the Year Ended December 31, 2025

	Budgeted Amounts (unaudited) Original	Final	Actual	Difference with Final Budget
Revenues:				
Charges for Services	$ 11,701,330	$ 11,701,330	$ 12,457,993	$ 756,663
Miscellaneous	36,000	36,000	65,326	29,326
Investment Earnings (Loss)	113,610	113,610	1,485,035	1,371,425
System Impact/Development Fees	456,650	456,650	213,265	(243,385)
Capital Grant Contributions	775,000	3,617,999	755,777	(2,862,222)
Total Revenues	**13,082,590**	**15,925,589**	**14,977,396**	**(948,193)**
Expenditures:				
Personal Services	2,459,183	2,459,183	2,212,802	246,381
Supplies	124,000	124,000	105,323	18,677
Purchased Services	2,816,573	2,912,400	1,411,100	1,501,300
Payment for Services	652,990	652,990	640,793	12,197
Transfers (Out)	27,074	4,593,074	495,836	4,097,238
Capital Acquisitions	10,468,800	31,146,702	-	31,146,702
Interest and debt service costs	728,250	728,250	692,366	35,884
Bond Expenses	360,000	360,000	500	359,500
Total Expenditures	**17,636,870**	**42,976,599**	**5,558,720**	**37,417,879**
Net Change in Fund Balance	**(4,554,280)**	**(27,051,010)**	**9,418,676**	**36,469,686**
Reconciliation to Statement of Revenues, Expenditures and Changes in Fund Net Position:				
Gain on sale of capital asset			40,000	
Contributed Assets			4,913,921	
Depreciation			(1,568,422)	
Statement Total			$ 12,804,175	

See accompanying independent auditors' report.

City of Loveland, Colorado
Electric & Communications
Budgetary Comparison Schedule
For the Year Ended December 31, 2025

	Budgeted Amounts (unaudited)			Difference with Final
	Original	Final	Actual	Budget
Revenues:				
Charges for Services	$ 113,290,234	$ 113,290,234	$ 108,793,202	$ (4,497,032)
Miscellaneous	1,107,000	1,266,272	2,067,778	801,506
Investment Earnings (Loss)	2,209,193	2,209,193	3,511,856	1,302,663
System Impact/Development Fees	4,220,100	4,220,100	3,859,311	(360,789)
Transfers In	970,839	11,823,327	6,884,188	(4,939,139)
Aid to Construction	13,080,006	20,067,221	12,215,180	(7,852,041)
Capital Grant Contributions	-	800,000	286,397	(513,603)
Total Revenues	**134,877,372**	**153,676,347**	**137,617,912**	**(16,058,435)**
Expenditures:				
Personal Services	15,622,305	12,237,540	12,761,017	(523,477)
Supplies	1,604,838	1,044,667	950,078	94,589
Purchased Services	12,558,553	14,737,581	10,771,671	3,965,910
Purchased Power	58,251,690	58,251,690	57,532,821	718,869
Payment for Services	7,930,315	7,745,315	6,982,311	763,004
Transfers (Out)	292,519	1,430,519	38,569	1,391,950
Capital Acquisitions	48,001,845	83,433,845	-	83,433,845
Interest and debt service costs	5,906,079	5,906,079	5,055,172	850,907
Bond Expenses	3,942,009	3,942,009	2,000	3,940,009
Total Expenditures	**154,110,153**	**188,729,245**	**94,093,639**	**94,635,606**
Net Change in Fund Balance	**(19,232,781)**	**(35,052,898)**	**43,524,273**	**78,577,171**

Reconciliation to Statement of Revenues, Expenditures and Changes in Fund Net Position:	
Loss on sale of capital asset	(2,066,627)
Contributed Assets	2,098,942
Depreciation	(11,288,173)
Statement Total	$ 32,268,415

See accompanying independent auditors' report.

City of Loveland, Colorado
Solid Waste
Budgetary Comparison Schedule
For the Year Ended December 31, 2025

	Budgeted Amounts (unaudited)			Difference with Final
	Original	Final	Actual	Budget
Revenues:				
Charges for Services	$ 11,288,945	$ 11,288,945	$ 12,242,307	$ 953,362
Miscellaneous	(45,450)	(45,450)	(5,036)	40,414
Investment Earnings (Loss)	153,490	153,490	279,870	126,380
Capital Grant Contributions	-	-	5,000	5,000
Total Revenues	**11,396,985**	**11,396,985**	**12,522,141**	**1,125,156**
Expenditures:				
Personal Services	4,026,812	4,026,812	3,974,094	52,718
Supplies	800,700	793,253	368,164	425,089
Purchased Services	6,025,579	6,575,423	5,257,314	1,318,109
Payment for Services	672,090	672,090	753,965	(81,875)
Transfers (Out)	-	60,832	-	60,832
Capital Acquisitions	2,082,607	8,630,072	-	8,630,072
Interest and debt service costs	18,217	18,217	18,218	(1)
Total Expenditures	**13,626,005**	**20,776,699**	**10,371,755**	**10,404,944**
Net Change in Fund Balance	**(2,229,020)**	**(9,379,714)**	**2,150,386**	**11,530,100**

Reconciliation to Statement of Revenues, Expenditures and Changes in Fund Net Position:	
Gain on sale of capital asset	351,225
Depreciation	(1,106,341)
Statement Total	$ 1,395,270

See accompanying independent auditors' report.

City of Loveland, Colorado
Golf
Budgetary Comparison Schedule
For the Year Ended December 31, 2025

	Budgeted Amounts (unaudited)			Difference
	Original	Final	Actual	with Final Budget
Revenues:				
Charges for Services	$ 6,612,612	$ 6,612,612	$ 7,372,101	$ 759,489
Miscellaneous	-	-	4,950	4,950
Investment Earnings (Loss)	64,601	64,601	379,062	314,461
Total Revenues	**6,677,213**	**6,677,213**	**7,756,113**	**1,078,900**
Expenditures:				
Personal Services	2,885,084	2,885,084	2,911,633	(26,549)
Supplies	680,820	681,420	605,664	75,756
Purchased Services	864,383	981,802	935,423	46,379
Transfers (Out)	-	-	22,945	(22,945)
Capital Acquisitions	861,664	5,614,076	-	5,614,076
Interest and debt service costs	150,000	150,000	10,296	139,704
Total Expenditures	**5,441,951**	**10,312,382**	**4,485,961**	**5,826,421**
Net Change in Fund Balance	**1,235,262**	**(3,635,169)**	**3,270,152**	**6,905,321**

Reconciliation to Statement of Revenues, Expenditures and Changes in Fund Net Position:	
Gain on sale of capital asset	3,063
Depreciation	(577,365)
Statement Total	$ 2,695,850

See accompanying independent auditors' report.

City of Loveland, Colorado
Combining Statement of Net Position
Internal Service
December 31, 2025

	Fleet Replacement	Fleet Management	Risk & Insurance	Employee Benefits	Totals
ASSETS					
Current Assets:					
Equity in Pooled Cash	$ 2,581,234	$ 1,002,077	$ 2,024,085	$ 6,629,828	$ 12,237,224
Equity in Pooled Investments	7,207,831	2,368,454	4,987,241	16,427,632	30,991,158
Receivables, Net	-	32,154	24,074	932,929	989,157
Accrued Interest	47,540	16,945	34,576	112,916	211,977
Inventory, at Cost	-	729,175	-	-	729,175
Total Current Assets	9,836,605	4,148,805	7,069,976	24,103,305	45,158,691
Noncurrent Assets:					
Interfund Loan Receivable	7,783	-	-	-	7,783
Restricted Assets:					
Equity in Pooled Restricted Cash	-	-	-	278,141	278,141
Total Restricted Assets	-	-	-	278,141	278,141
Property, Plant & Equipment:					
Land	209,516	-	-	-	209,516
Buildings	3,745,732	53,870	-	-	3,799,602
Lease Assets - Buildings	-	-	-	148,662	148,662
Equipment	25,057,653	411,724	-	-	25,469,377
Lease Assets - Equipment	-	198,983	-	-	198,983
Construction in Progress	596,191	-	-	-	596,191
Total Property, Plant & Equipment	29,609,092	664,577	-	148,662	30,422,331
Accumulated Depreciation	(16,975,480)	(360,857)	-	(99,108)	(17,435,445)
Net Property, Plant & Equipment	12,633,612	303,720	-	49,554	12,986,886
Total Non-Current Assets	12,641,395	303,720	-	327,695	13,272,810
Total Assets	22,478,000	4,452,525	7,069,976	24,431,000	58,431,501
LIABILITIES					
Current Liabilities:					
Accounts Payable	-	113,609	1,446,184	475,273	2,035,066
Accrued Liabilities	-	113,683	34,039	1,278,000	1,425,722
Compensated Absences - Current	-	87,448	35,156	6,311	128,915
Lease Payable - Current	-	12,422	-	34,664	47,086
Total Current Liabilities	-	327,162	1,515,379	1,794,248	3,636,789
Compensated Absences	-	71,549	28,765	5,163	105,477
Lease Payable	-	-	-	21,976	21,976
Total Liabilities	-	398,711	1,544,144	1,821,387	3,764,242
NET POSITION					
Net Investment in Capital Assets	12,633,612	291,300	-	(7,088)	12,917,824
Restricted - Health Claims & Admin	-	-	-	278,141	278,141
Unrestricted	9,844,388	3,762,514	5,525,832	22,338,560	41,471,294
Total Net Position	$ 22,478,000	$ 4,053,814	$ 5,525,832	$ 22,609,613	$ 54,667,259

See accompanying independent auditors' report.

City of Loveland, Colorado
Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service
For the Year Ended December 31, 2025

	Fleet Replacement	Fleet Management	Risk & Insurance	Employee Benefits	Totals
Operating Revenues:					
Charges for Services	$ 3,127,110	$ 6,693,058	$ 5,784,841	$ 19,410,882	$ 35,015,891
Miscellaneous	8,664	85,585	199,149	37,798	331,196
Total Operating Revenues	3,135,774	6,778,643	5,983,990	19,448,680	35,347,087
Operating Expenses:					
Personal Services	-	2,334,525	668,965	129,661	3,133,151
Supplies	49,034	3,252,809	11,016	57,035	3,369,894
Purchased Services	2,689	597,451	4,458,728	15,861,065	20,919,933
Depreciation/amortization	2,369,777	65,873	-	24,777	2,460,427
Total Operating Expenses	2,421,500	6,250,658	5,138,709	16,072,538	29,883,405
Net Operating Income (loss)	714,274	527,985	845,281	3,376,142	5,463,682
Nonoperating Revenues (Expenses):					
Investment Gain (Loss)	422,053	133,246	288,971	972,288	1,816,558
Interest and debt service costs	-	(1,169)	-	(2,121)	(3,290)
Gain (Loss) on Sale of Capital Assets	259,607	-	-	-	259,607
Total Nonoperating Revenues (Expenses)	681,660	132,077	288,971	970,167	2,072,875
Net Income (Loss) Before Transfers	1,395,934	660,062	1,134,252	4,346,309	7,536,557
Contributed Assets	9,745	-	-	-	9,745
Transfers (Out)	-	(31,906)	-	-	(31,906)
Change in Net Position	1,405,679	628,156	1,134,252	4,346,309	7,514,396
Total Net Position - Beginning	21,072,321	3,425,658	4,391,580	18,263,304	47,152,863
Total Net Position - Ending	$ 22,478,000	$ 4,053,814	$ 5,525,832	$ 22,609,613	$ 54,667,259

See accompanying independent auditors' report.

City of Loveland, Colorado
Statement of Cash Flows
Internal Service
For the Year Ended December 31, 2025

	Fleet Replacement	Fleet Management	Risk & Insurance	Employee Benefits	Totals
Cash Flows from Operating Activities:					
Cash Received from Interfund Services	$ 3,127,110	$ 6,694,562	$ 5,760,767	$ 18,585,116	$ 34,167,555
Cash Payments for Goods and Services	-	(3,691,507)	(4,627,730)	(16,060,557)	(24,379,794)
Cash Payments to Employees	-	(2,320,201)	(671,779)	(130,309)	(3,122,289)
Miscellaneous	(123,638)	85,585	199,148	37,798	198,893
Net Cash Provided (Used) by Operating Activities	3,003,472	768,439	660,406	2,432,048	6,864,365
Cash Flows from Non-Capital Financing Activities:					
Repayments received on Interfund Loan receivables	56,022	-	-	-	56,022
Transfers Out	-	(31,906)	-	-	(31,906)
Net Cash Provided (Used) by Non-capital Financing Activities	56,022	(31,906)	-	-	24,116
Cash Flows from Capital and Related Financing Activities:					
Proceeds on Sale of Capital Assets	259,607	-	-	-	259,607
Payments for Capital Acquisition	(2,618,467)	(51,888)	-	-	(2,670,355)
Payments for Finance Leases	-	(49,926)	-	(25,827)	(75,753)
Interest Paid	-	-	-	(2,121)	(2,121)
Net Cash Provided (Used) by Capital and Related Financing Activities	(2,358,860)	(101,814)	-	(27,948)	(2,488,622)
Cash Flows from Investing Activities:					
Purchase of Investments	(4,956,745)	(1,671,162)	(3,383,032)	(11,344,274)	(21,355,213)
Proceeds from Sale of Investments	3,554,737	1,073,748	2,422,917	7,990,946	15,042,348
Investment Earnings	294,658	90,869	199,266	678,280	1,263,073
Net Cash Flows Provided (Used) by Investing Activities	(1,107,350)	(506,545)	(760,849)	(2,675,048)	(5,049,792)
Net Increase (Decrease) in Cash and Cash Equivalents	(406,716)	128,174	(100,443)	(270,948)	(649,933)
Cash and Cash Equivalents - Jan. 1	2,987,950	873,903	2,124,528	7,178,917	13,165,298
Cash and Cash Equivalents--Dec. 31	$ 2,581,234	$ 1,002,077	$ 2,024,085	$ 6,907,969	$ 12,515,365
Reconciliation of Operating Income (Loss) to Net Operating Operating Income (Loss)	$ 714,274	$ 527,985	$ 845,281	$ 3,376,142	$ 5,463,682
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation	2,369,777	65,872	-	24,777	2,460,426
(Increase) Decrease in Accounts Receivable	-	1,504	(24,074)	(825,763)	(848,333)
Increase in Inventory	-	138,912	-	-	138,912
Increase (Decrease) in Current Liabilities	(80,579)	34,166	(160,801)	(143,108)	(350,322)
Total Adjustments	2,289,198	240,454	(184,875)	(944,094)	1,400,683
Net Cash Provided (Used) by Operating Activities	$ 3,003,472	$ 768,439	$ 660,406	$ 2,432,048	$ 6,864,365
Noncash Investing, Capital and Financing Activities:					
Contributed Assets	9,745				
Unrealized Loss on Investments	113,144	35,445	78,412	255,861	482,862
Reconciliation of cash and cash equivalents to statement of net position:					
Cash and cash equivalents	2,581,234	1,002,077	2,024,085	6,629,828	12,237,224
Restricted Assets - cash and cash equivalents	-	-	-	278,141	278,141
	$ 2,581,234	$ 1,002,077	$ 2,024,085	$ 6,907,969	$ 12,515,365

See accompanying independent auditors' report.

City of Loveland, Colorado
Fleet Replacement
Budgetary Comparison Schedule
For the Year Ended December 31, 2025

	Budgeted Amounts (unaudited) Original	Budgeted Amounts (unaudited) Final	Actual	Difference with Final Budget
Revenues:				
Charges for Services	$ 3,800,166	$ 3,800,166	$ 3,127,110	$ (673,056)
Miscellaneous	-	-	8,664	8,664
Investment Earnings (Loss)	-	-	422,053	422,053
Contributed Assets	-	-	9,745	9,745
Total Revenues	**3,800,166**	**3,800,166**	**3,567,572**	**(232,594)**
Expenditures:				
Supplies	-	-	49,034	(49,034)
Purchased Services	-	-	2,689	(2,689)
Transfers (Out)	-	463,540	-	463,540
Capital Acquisitions	3,410,376	5,873,495	-	5,873,495
Total Expenditures	**3,410,376**	**6,337,035**	**51,723**	**6,285,312**
Net Change in Fund Balance	**389,790**	**(2,536,869)**	**3,515,849**	**6,052,718**
Reconciliation to Statement of Revenues, Expenditures and Changes in Fund Net Position:				
Gain on Sale of Capital Asset			259,607	
Depreciation			(2,369,777)	
Statement Total			$ 1,405,679	

See accompanying independent auditors' report.

City of Loveland, Colorado
Fleet Management
Budgetary Comparison Schedule
For the Year Ended December 31, 2025

	Budgeted Amounts (unaudited) Original	Budgeted Amounts (unaudited) Final	Actual	Difference with Final Budget
Revenues:				
Charges for Services	$ 6,263,442	$ 6,674,055	$ 6,693,058	$ 19,003
Miscellaneous	-	-	85,585	85,585
Investment Earnings (Loss)	-	-	133,246	133,246
Total Revenues	**6,263,442**	**6,674,055**	**6,911,889**	**237,834**
Expenditures:				
Personal Services	2,238,965	2,238,965	2,334,525	(95,560)
Supplies	3,258,374	3,531,342	3,252,809	278,533
Purchased Services	674,249	741,676	597,451	144,225
Transfers (Out)	-	347,260	31,906	315,354
Capital Acquisitions	-	192,834	-	192,834
Interest and debt service costs	-	-	1,169	(1,169)
Total Expenditures	**6,171,588**	**7,052,077**	**6,217,860**	**834,217**
Net Change in Fund Balance	**91,854**	**(378,022)**	**694,029**	**1,072,051**
Reconciliation to Statement of Revenues, Expenditures and Changes in Fund Net Position:				
Depreciation			(65,873)	
Statement Total			$ 628,156	

See accompanying independent auditors' report.

City of Loveland, Colorado
Risk & Insurance
Budgetary Comparison Schedule
For the Year Ended December 31, 2025

	Budgeted Amounts (unaudited)			
	Original	Final	Actual	Difference with Final Budget
Revenues:				
Charges for Services	$ 5,784,841	$ 5,784,841	$ 5,784,841	$ -
Miscellaneous	-	-	199,149	199,149
Investment Earnings (Loss)	50,000	50,000	288,971	238,971
Total Revenues	**5,834,841**	**5,834,841**	**6,272,961**	**438,120**
Expenditures:				
Personal Services	777,644	777,644	668,965	108,679
Supplies	20,696	20,696	11,016	9,680
Purchased Services	4,809,956	4,809,956	4,458,728	351,228
Total Expenditures	**5,608,296**	**5,608,296**	**5,138,709**	**469,587**
Net Change in Fund Balance	**226,545**	**226,545**	**1,134,252**	**907,707**
Reconciliation to Statement of Revenues, Expenditures and Changes in Fund Net Position:				
Statement Total			$ 1,134,252	

See accompanying independent auditors' report.

City of Loveland, Colorado
Employee Benefits
Budgetary Comparison Schedule
For the Year Ended December 31, 2025

	Budgeted Amounts (unaudited) Original	Budgeted Amounts (unaudited) Final	Actual	Difference with Final Budget
Revenues:				
Charges for Services	$ 17,322,152	$ 17,322,152	$ 19,410,882	$ 2,088,730
Miscellaneous	115,000	115,000	37,798	(77,202)
Investment Earnings (Loss)	-	-	972,288	972,288
Total Revenues	**17,437,152**	**17,437,152**	**20,420,968**	**2,983,816**
Expenditures:				
Personal Services	126,382	126,382	129,661	(3,279)
Supplies	125,000	125,000	57,035	67,965
Purchased Services	17,930,000	17,930,000	15,861,065	2,068,935
Interest and debt service costs	-	-	2,121	(2,121)
Total Expenditures	**18,181,382**	**18,181,382**	**16,049,882**	**2,131,500**
Net Change in Fund Balance	**(744,230)**	**(744,230)**	**4,371,086**	**5,115,316**
Reconciliation to Statement of Revenues, Expenditures and Changes in Fund Net Position:				
Depreciation			(24,777)	
Statement Total			$ 4,346,309	

See accompanying independent auditors' report.

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Fiduciary Fund

LOVELAND SPECIAL IMPROVEMENT DISTRICT #1—to account for debt service activity of the District's special assessment bonds.

City of Loveland, Colorado
Special Improvement District #1 (SID)
Budgetary Comparison Schedule
For the Year Ended December 31, 2025

	Budgeted Amounts (unaudited)			
	Original	**Final**	**Actual**	**Difference with Final Budget**
Revenues:				
Special Assessments	$ 460,000	$ 460,000	$ 453,330	$ (6,670)
Interest	9,000	9,000	18,793	9,793
Miscellaneous	1,500	1,500	1,575	75
Total Revenues	**470,500**	**470,500**	**473,698**	**3,198**
Expenditures:				
General Administration	5,075	5,075	2,920	2,155
Bond Principal	500,000	500,000	490,000	10,000
Bond Interest	45,000	45,000	39,390	5,610
Trustee Fees	500	500	300	200
Total Expenditures	**550,575**	**550,575**	**532,610**	**17,965**
Net Change in Fund Balance	(80,075)	(80,075)	(58,912)	21,163
Fund Balance--Beginning	**405,481**	**405,481**	**405,481**	**-**
Fund Balance--Ending	**$ 325,406**	**$ 325,406**	**$ 346,569**	**$ 21,163**

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Component Unit

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

City of Loveland, Colorado
Statement of Net Position
Component Unit
December 31, 2025

		Downtown Development Authority		Total
Assets:				
Cash with fiscal agent	$	104,591	$	104,591
Total assets and deferred outflows of resources	$	104,591		104,591
Fund Balance				
Unassigned (deficit)	$	104,591		104,591
Total net position		104,591		104,591
Total liabilities and net position	$	104,591		104,591

See independent auditors' report.

Reconciliation of the Component Unit Balance Sheet to the Government-wide Statement of Net Position For the Year Ended December 31, 2025

Amounts reported for component unit activities in the statement of net position are different because:

Total fund balance - component unit	$	104,591
Capital assets used in component unit activities are not financial resources and, therefore, are not reported in the fund		247,260
Net position of component unit	$	351,851

City of Loveland, Colorado
Statement of Revenues, Expenditures, and Changes in Net Position
Component Unit
For the Year Ended December 31, 2025

	Downtown Development Authority	Total Governmental Funds
Revenues:		
Intergovernmental	$ 403,170	$ 403,170
Total Revenues	403,170	403,170
Expenditures:		
Downtown revitalization	490,015	490,015
Total Expenditures	490,015	490,015
Net Change in Fund Balance	(86,845)	(86,845)
Net Position - Beginning as previously reported	-	-
Adjustment - change in financial reporting entity (note 18)	191,436	191,436
Net Position - Beginning, restated	191,436	191,436
Net Position - Ending	$ 104,591	$ 104,591

See independent auditors' report.

Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds To the Statement of Activities
Component Unit
For the Year Ended December 31, 2025

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

Net change in fund balances - component unit	$ (86,845)
Component unit reports 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 outlay $164,778 exceeded depreciation $10,405 in the current	154,373
Change in net position of component unit	$ 67,528

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

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

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

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.

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.

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)

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

2021	2022	2023	2024	2025
$ 461,306,590	$ 477,176,229	$ 498,833,003	$ 533,874,572	$ 562,188,580
47,053,799	54,285,713	51,904,498	55,593,413	59,402,933
117,255,519	129,992,428	148,457,652	155,041,764	148,801,280
625,615,908	**661,454,370**	**699,195,153**	**744,509,749**	**770,392,793**
568,110,085	592,286,050	641,781,131	674,835,319	707,177,408
49,936,494	60,577,669	67,636,791	75,478,154	90,098,070
61,992,221	67,328,788	62,066,287	77,707,704	93,510,874
680,038,800	**720,192,507**	**771,484,209**	**828,021,177**	**890,786,352**
1,029,416,675	1,069,462,279	1,140,614,134	1,208,709,891	1,269,365,988
96,990,293	114,863,382	119,541,289	131,071,567	149,501,003
179,247,740	197,321,216	210,523,939	232,749,468	242,312,154
$ 1,305,654,708	**$ 1,381,646,877**	**$ 1,470,679,362**	**$ 1,572,530,926**	**$ 1,661,179,145**

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

	2016	2017	2018	2019
Expenses				
Governmental Activities:				
Legislative	$ 151,146	$ 159,913	$ 187,723	$ 144,975
Executive	2,199,258	4,216,699	3,376,411	5,380,650
City Manager	-	-	-	-
City Attorney	-	-	-	-
City Clerk	-	-	-	-
Municipal Court	-	-	-	-
Finance	1,846,402	1,295,259	1,256,557	5,388,175
Human Resources	358,285	420,729	424,206	1,638,690
Information Technology	983,766	556,131	1,831,164	6,401,536
Economic Development	4,046,522	3,090,713	2,551,997	2,597,640
Development Services	7,391,751	6,509,167	6,737,725	3,981,403
Public Works	22,454,121	23,931,894	31,567,513	27,180,708
Police	21,508,676	24,783,280	27,082,050	25,312,191
Fire and Rescue	13,968,518	16,365,941	22,272,980	18,193,823
Parks & Recreation	14,149,386	14,103,788	16,364,686	12,040,970
Library	3,598,465	4,123,625	4,272,659	3,385,385
Cultural Services	2,522,341	2,600,450	2,942,481	2,089,675
General Government	24,003,139	24,815,615	23,571,072	16,784,988
Interest on Long-Term Debt	-		-	-
Total Governmental Activities Expense	**119,181,776**	**126,973,204**	**144,439,224**	**130,520,809**
Business-Type Activities:				
Water	15,666,363	16,075,296	16,308,692	15,666,095
Wastewater	9,078,498	9,679,668	11,304,051	13,085,842
Stormwater	4,342,427	5,850,696	4,927,823	5,055,877
Electric & Communications	58,211,434	64,494,714	64,180,716	68,751,131
Solid Waste	6,453,721	6,714,450	7,243,803	7,743,425
Golf	4,558,219	3,872,895	3,669,380	3,557,875
Total Business-Type Activities Expenses	**98,310,662**	**106,687,719**	**107,634,465**	**113,860,245**
Total Primary Government Expenses	**217,492,438**	**233,660,923**	**252,073,689**	**244,381,054**
Program Revenues				
Governmental Activities:				
Charges for services:				
Executive	944,041	1,041,189	1,665,482	1,816,728
City Manager	-	-	-	-
City Attorney	-	-	-	-
City Clerk	-	-	-	-
Municipal Court	-	-	-	-
Finance	206,081	264,016	243,877	226,958
Human Resources	-	-	-	-
Information Technology	-	-	-	-
Economic Development	94,072	611,278	156,092	233,795
Development Services	3,058,494	2,567,529	2,768,763	2,141,143
Public Works	5,803,971	6,506,628	19,218,892	18,093,078
Police	1,263,912	1,444,770	696,939	2,967,706
Fire and Rescue	582,014	4,839,718	7,418,801	3,769,092
Parks & Recreation	5,131,937	4,757,024	4,834,484	5,504,094
Library	92,278	72,431	95,501	50,342
Cultural Services	418,057	431,274	470,431	616,260
General Government	7,054,713	7,934,902	77,655	49,046
Operating grants and contributions	18,282,481	22,130,784	21,457,236	23,138,462
Capital grants and contributions	21,755,995	13,680,064	7,045,733	4,214,800
Total Governmental Activities Revenues	**$ 64,688,046**	**$ 66,281,607**	**$ 66,149,886**	**$ 62,821,504**

Source: City of Loveland Financial Statements

2020	2021	2022	2023	2024	2025
$ 142,847	$ 150,963	$ 204,159	$ 187,949	$ 369,345	$ 551,173
-	-	-	-	-	-
5,027,941	3,121,875	4,647,058	5,597,646	5,518,390	5,763,298
1,282,582	1,283,365	1,576,442	1,864,301	2,684,485	2,008,032
737,749	592,360	722,062	896,384	839,902	833,367
680,160	700,112	770,627	802,183	1,042,196	1,189,387
5,822,026	6,075,509	6,836,546	7,481,127	6,561,817	7,186,349
1,432,526	1,462,259	1,842,468	1,833,275	2,040,921	2,093,942
6,892,385	5,953,913	7,478,684	6,029,139	6,280,946	7,464,291
2,914,656	2,065,899	2,809,222	3,195,919	3,157,794	3,051,697
5,701,230	5,590,896	5,886,993	6,232,895	6,210,419	6,528,819
30,043,177	31,960,206	34,186,621	35,287,336	37,582,778	44,762,292
25,999,756	34,907,689	28,705,018	36,815,324	35,746,417	39,577,578
19,287,233	33,800,088	25,025,382	28,489,609	30,524,248	32,601,983
13,456,687	12,691,587	16,953,694	17,600,926	18,326,199	19,035,383
2,920,546	3,504,378	3,767,653	4,089,707	4,488,361	3,705,256
3,731,823	2,363,832	2,969,843	2,791,485	2,889,771	2,937,548
19,008,838	30,301,034	27,756,133	28,578,929	27,751,644	25,628,026
781,283	971,660	943,227	1,108,672	1,027,079	1,663,900
145,863,445	**177,497,625**	**173,081,832**	**188,882,806**	**193,042,712**	**206,582,321**
17,668,199	18,914,717	22,850,592	21,234,148	24,441,338	25,588,978
13,747,570	14,014,978	14,949,490	15,379,506	16,463,138	19,213,569
5,689,635	6,530,754	5,219,200	5,825,855	6,545,597	6,631,306
71,180,474	76,955,901	83,313,318	88,171,791	96,865,048	107,449,720
7,774,032	8,490,265	9,289,271	10,636,242	11,341,506	11,478,096
3,526,340	3,921,240	4,194,191	4,395,317	4,718,385	5,040,381
119,586,250	**128,827,855**	**139,816,062**	**145,642,859**	**160,375,012**	**175,402,050**
265,449,695	**306,325,480**	**312,897,894**	**334,525,665**	**353,417,724**	**381,984,371**
-	-	-	-	-	-
90,971	213,974	655,385	153,014	66,972	11,342
54,551	26,982	28,038	11,560	48,000	-
65,840	87,566	88,426	81,994	82,794	85,165
1,054,434	831,211	539,417	574,490	646,169	1,537,534
208,229	251,738	281,394	212,759	195,816	219,653
1,465	695	695	-	-	-
258,325	179,946	238,850	-	-	219,111
1,343,115	-	333,019	278,920	317,527	236,630
3,273,085	4,882,160	7,719,754	4,458,195	4,653,597	4,095,624
22,514,463	19,368,504	21,543,621	23,459,649	19,815,227	21,950,329
6,538,486	1,898,764	1,717,568	1,992,405	2,902,204	2,107,696
2,896,385	15,628,034	3,483,085	4,841,333	5,400,251	6,209,792
3,294,031	4,367,279	6,025,762	10,596,562	11,453,603	7,905,508
139,437	90,818	139,074	561,866	640,011	215,109
230,858	362,960	934,660	1,129,935	1,164,499	902,187
3,843,246	4,731,782	1,424,219	1,028,788	1,121,523	391,545
23,365,634	23,816,808	25,771,719	36,987,125	48,609,201	35,993,993
17,076,354	46,194,664	24,216,319	19,511,232	18,713,101	25,333,531
$ 86,248,909	**$ 122,933,885**	**$ 95,141,005**	**$ 105,879,827**	**$ 115,830,495**	**$ 107,414,749**

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

	2016	2017	2018	2019
Business-type Activities				
Charges for services				
Water	$ 15,298,606	$ 16,756,753	$ 18,689,859	$ 18,643,554
Wastewater	10,812,210	11,937,729	13,053,629	13,699,495
Stormwater	5,785,926	6,483,986	7,000,161	7,625,978
Electric & Communications	60,070,432	63,851,915	66,770,400	68,929,460
Solid Waste	6,823,296	7,053,445	8,074,467	8,620,149
Golf	3,796,133	3,825,009	3,821,241	3,860,142
Capital grants and contributions	22,466,304	17,720,613	18,763,653	25,349,844
Operating grants and contributions	211,522	275,738	333,552	352,474
Total Business-Type Activities Revenues	**125,264,429**	**127,905,188**	**136,506,962**	**147,081,096**
Total Primary-Government Revenues	**189,952,475**	**194,186,795**	**202,656,848**	**209,902,600**
Net (Expense) Revenue				
Governmental Activities	(54,493,730)	(60,691,596)	(78,289,338)	(67,699,305)
Business-Type Activities	26,953,767	21,217,468	28,872,497	33,220,851
Total Primary Government Net (Expense)/Revenues	**(27,539,963)**	**(39,474,128)**	**(49,416,841)**	**(34,478,454)**
General Revenues & Other Changes in Net Position				
Governmental Activities				
Taxes				
Property Taxes	20,904,830	21,680,942	23,899,977	26,678,420
Sales and Use Taxes	50,527,501	54,481,516	57,372,198	59,077,014
Franchise Taxes	1,800,051	2,018,640	1,860,176	1,837,808
Other Taxes	1,210,092	2,198,110	1,940,748	2,170,466
Investment Earnings	589,669	1,373,292	1,599,707	3,193,518
Gain on Sale of Assets	170,947	31,522	102,157	153,803
Transfers	(308,505)	(558,300)	1,344,677	2,614,064
Total Governmental Activities	**74,894,585**	**81,225,722**	**88,119,640**	**95,725,093**
Business-Type Activities				
Investment Earnings	546,251	1,005,237	1,359,120	5,273,004
Gain on Sale of Assets	-	-	(296,516)	(1,652,421)
Transfers	308,505	558,300	(1,344,677)	(2,614,064)
Total Business-Type Activities	**854,756**	**1,563,537**	**(282,073)**	**1,006,519**
Total Primary Government	**75,749,341**	**82,789,259**	**87,837,567**	**96,731,612**
Change in Net Position				
Governmental Activities	20,400,855	20,534,126	9,830,302	28,025,788
Business-Type Activities	27,808,523	22,781,005	28,590,424	34,227,370
Total Primary Government	**$ 48,209,378**	**$ 43,315,131**	**$ 38,420,726**	**$ 62,253,158**

Source: City of Loveland Financial Statements

2020	2021	2022	2023	2024	2025
$ 22,127,504	$ 23,539,395	$ 25,979,178	$ 23,550,016	$ 27,669,242	$ 28,682,335
14,929,933	16,221,277	17,280,370	17,664,035	19,005,571	20,058,370
8,099,802	8,326,803	9,367,948	11,361,147	11,950,068	12,523,319
70,863,380	77,780,985	84,254,109	89,740,678	101,371,692	110,672,977
8,783,551	9,626,951	10,216,241	10,863,634	11,730,499	12,237,271
4,387,012	5,297,111	5,251,634	6,165,144	6,790,081	7,377,051
24,821,451	19,014,070	33,106,233	31,050,807	29,359,195	34,824,435
319,345	273,259	222,226	1,531,595	1,804,575	1,057,616
154,331,978	**160,079,851**	**185,677,939**	**191,927,056**	**209,680,923**	**227,433,374**
240,580,887	**283,013,736**	**280,818,944**	**297,806,883**	**325,511,418**	**334,848,123**
(59,614,536)	(54,563,740)	(77,941,522)	(83,002,979)	(77,212,217)	(99,167,572)
34,745,728	31,251,996	45,861,877	46,284,197	49,305,911	52,031,324
(24,868,808)	**(23,311,744)**	**(32,079,645)**	**(36,718,782)**	**(27,906,306)**	**(47,136,248)**
29,121,824	30,849,766	32,611,983	33,721,985	38,255,498	40,612,966
59,647,002	68,632,108	84,226,885	74,862,546	73,140,822	72,677,289
1,669,956	1,720,272	2,180,021	2,067,610	1,621,742	1,909,584
1,746,201	1,824,083	2,183,109	1,317,532	1,303,508	1,309,518
1,343,775	226,628	(5,710,647)	7,719,307	7,723,253	8,430,779
221,161	1,115,795	102,157	622,204	136,458	117,555
2,786,538	2,200,925	452,734	432,578	345,532	277,248
96,536,457	**106,569,577**	**116,046,242**	**120,743,762**	**122,526,813**	**125,334,939**
3,431,421	(1,310,212)	(5,465,459)	5,412,072	7,462,475	10,440,359
240,576	234,900	210,023	28,011	114,114	570,740
(2,786,538)	(2,200,925)	(452,734)	(432,578)	(345,532)	(277,248)
885,459	**(3,276,237)**	**(5,708,170)**	**5,007,505**	**7,231,057**	**10,733,851**
97,421,916	**103,293,340**	**110,338,072**	**125,751,267**	**129,757,870**	**136,068,790**
36,921,921	52,005,837	38,104,720	37,740,783	45,314,596	26,167,367
35,631,187	27,975,759	40,153,707	51,291,702	56,536,968	62,765,175
$ 72,553,108	**$ 79,981,596**	**$ 78,258,427**	**$ 89,032,485**	**$ 101,851,564**	**$ 88,932,542**

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

	2016	2017	2018	2019
General Fund				
Nonspendable	$ 51,685	$ 47,650	$ 43,493	$ 39,212
Restricted	2,906,882	25,715,544	11,988,505	8,185,477
Committed	19,097,578	2,494,422	5,597,274	566,558
Assigned	1,155,031	-	-	-
Unassigned	21,741,419	10,591,362	14,720,142	19,268,245
Total General Fund	**$ 44,952,595**	**$ 38,848,978**	**$ 32,349,414**	**$ 28,059,492**
All Other Governmental Funds				
Nonspendable				
Capital Expansion Fees	-	-	-	-
Transportation	-	-	512,180	350,670
Other Governmental Funds	1,033,093	1,114,935	1,157,959	3,306,565
Restricted				
Loveland Urban Renewal Authority	972,722	1,018,896	296,164	647,652
Loveland Fire Rescue Authority	101,176	2,090,853	8,457,297	6,825,362
Capital Projects	-	-	993,921	-
Other Governmental Funds	14,823,817	12,216,423	14,561,785	15,822,662
Committed				
Transportation	-	-	-	-
Capital Expansion Fees	37,127,980	41,159,739	36,822,062	33,033,106
Other Governmental Funds	515,297	717,238	1,369,078	1,535,910
Assigned				
Capital Projects	2,331,869	9,801,816	1,250,612	1,514,211
Other Governmental Funds	3,796,447	3,981,477	4,110,607	1,983,210
Unassigned				
Transportation	-	-	(512,180)	(350,670)
Capital Projects	-	-	-	-
Other Governmental Funds	-	-	-	-
Total All Other Governmental Funds	**60,702,401**	**72,101,377**	**69,019,485**	**64,668,678**
Total Governmental Funds	**$ 105,654,996**	**$ 110,950,355**	**$ 101,368,899**	**$ 92,728,170**

Source: City of Loveland Financial Statements
NOTE: 2020 and 2021 General Fund Unassigned Fund Balance Restated for error corrections

2020	2021	2022	2023	2024	2025
$ 34,802	$ 30,261	$ 80,740	$ 20,922	$ 27,044	$ 5,445
4,883,384	6,395,429	11,894,582	5,583,159	5,215,361	5,401,182
812,088	825,050	1,151,752	1,222,069	1,290,685	1,338,976
-	-	-	-	-	-
27,284,135	38,355,080	50,036,129	55,616,388	36,244,450	28,917,123
$ 33,014,409	**$ 45,605,820**	**$ 63,163,203**	**$ 62,442,538**	**$ 42,777,540**	**$ 35,662,726**
-	-	-	-	-	-
532,779	442,351	322,397	290,740	589,095	679,920
3,503,234	3,579,557	3,506,846	3,761,947	3,967,588	4,290,582
1,454,625	3,489,306	3,936,340	4,773,686	2,854,733	3,474,584
7,406,621	14,780,713	11,192,761	12,251,009	16,099,893	16,465,937
-	-	-	-	-	-
18,061,112	18,376,703	19,291,876	21,433,994	21,127,638	30,722,156
-	-	-	-	18,554,048	15,451,559
32,110,116	42,163,277	47,970,182	54,913,745	50,315,169	49,985,945
1,157,210	1,686,667	1,587,306	1,767,331	2,362,932	1,956,019
-	-	-	-	-	-
1,456,914	1,320,861	1,142,652	1,196,479	790,369	822,619
(532,779)	(442,351)	(322,397)	(678,414)	-	-
(1,439,858)	(1,150,884)	(1,274,153)	(771,218)	(506,272)	(330,017)
-	-	-	-	(66,955)	(87,262)
63,709,974	**84,246,200**	**87,353,810**	**98,939,299**	**116,088,238**	**123,432,042**
$ 96,724,383	**$ 129,852,020**	**$ 150,517,013**	**$ 161,381,837**	**$ 158,865,778**	**$ 159,094,768**

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

	2016	2017	2018	2019
Revenues				
Taxes	$ 74,220,077	$ 80,233,216	$ 83,406,784	$ 88,501,636
Licenses and Permits	3,310,912	3,126,114	3,341,235	2,567,487
Fines and Penalties	929,370	972,875	1,263,732	1,203,527
Intergovernmental	24,233,341	25,242,347	27,533,890	28,535,074
Charges for Services	16,607,925	15,222,967	16,914,492	15,759,460
Investment Earnings	589,670	1,373,293	1,599,707	3,193,518
Payment in Lieu of Taxes	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	9,494,166	12,057,015	12,193,909	15,005,029
Total Revenues	**129,385,461**	**138,227,827**	**146,253,749**	**154,765,731**
Expenditures				
Current				
Legislative	151,146	159,913	187,723	144,975
Executive	2,211,243	4,036,220	3,322,807	5,456,462
City Manager	-	-	-	-
City Attorney	-	-	-	-
City Clerk	-	-	-	-
Municipal Court	-	-	-	-
Finance	1,819,888	1,282,258	1,221,190	5,470,110
Human Resources	355,772	445,725	385,130	1,701,545
Information Technology	689,898	316,523	1,536,654	6,288,049
Economic Development	3,387,769	3,017,793	2,500,959	2,573,507
Development Services	4,412,253	3,623,654	3,811,987	2,886,029
Public Works	15,141,677	17,706,618	24,291,235	26,385,684
Police	20,860,058	24,258,829	26,252,517	25,391,129
Fire and Rescue	13,150,622	15,320,180	16,656,580	17,919,633
Parks & Recreation	11,121,873	11,563,778	13,223,723	11,183,651
Library	3,271,662	3,762,506	3,918,838	3,252,119
Cultural Services	2,230,327	2,540,385	2,727,844	2,160,288
General Government	22,972,699	26,689,263	28,239,484	23,454,914
Capital Outlay	21,079,771	33,036,629	31,906,516	33,060,864
Debt Service				
Principal	-		274,903	232,449
Interest	-	468,894	823,992	805,920
Total Expenditures	**122,856,658**	**148,229,168**	**161,282,082**	**168,367,328**
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,528,803	(10,001,341)	(15,028,333)	(13,601,597)
Other Financing Sources (Uses)				
Transfers In	15,877,819	36,008,348	28,794,567	31,368,083
Transfers (Out)	(21,301,301)	(36,611,649)	(27,756,890)	(26,407,215)
Debt Issued	-	15,900,000	4,409,200	-
Insurance Recoveries	-	-	-	-
Total Other Financing Sources (Uses)	(5,423,482)	15,296,699	5,446,877	4,960,868
Net Change in Fund Balance	**$ 1,105,321**	**$ 5,295,358**	**$ (9,581,456)**	**$ (8,640,729)**
Debt service as a percentage of noncapital expenditures	0.00%	0.04%	0.85%	0.77%

Source: City of Loveland Financial Statements
NOTE: 2020 & 2021 Miscellaneous Revenue and 2021 Cultural Services expenditures changed due to error corrections

2020	2021	2022	2023	2024	2025
$ 91,338,747	$ 102,493,932	$ 119,252,026	$ 111,969,673	$ 114,321,570	$ 116,509,357
3,902,767	6,846,962	8,298,760	5,000,369	5,687,239	5,554,115
1,003,433	837,820	538,242	578,234	642,298	469,960
32,886,093	36,801,684	34,391,374	41,310,971	47,178,852	42,039,820
18,360,470	21,488,758	26,311,400	23,257,426	24,966,121	20,067,441
1,343,775	226,628	(5,710,647)	7,719,307	7,723,253	8,430,779
8,132,827	8,790,101	9,160,116	9,484,927	10,560,780	11,260,481
5,865,552	23,748	618,698	(32,934)	-	-
5,750,216	4,114,034	4,346,703	5,701,551	5,318,501	7,547,519
168,583,880	**181,623,667**	**197,206,672**	**204,989,524**	**216,398,614**	**211,879,472**
142,847	150,963	204,159	187,949	369,345	551,173
-	-	-	-	-	-
4,990,757	3,101,095	4,652,876	5,490,997	5,604,057	5,737,763
1,243,257	1,295,583	1,557,165	1,846,549	2,737,810	1,985,117
740,762	584,936	715,187	891,116	853,153	811,771
676,200	700,449	766,259	797,575	1,051,230	1,170,690
5,704,161	6,128,394	6,796,023	7,451,592	6,608,187	6,967,742
1,430,180	1,458,268	1,839,490	1,837,989	2,022,363	2,076,350
6,554,490	5,643,385	6,751,684	5,127,968	5,304,351	6,547,396
2,900,642	1,998,527	2,802,163	3,187,237	3,183,362	3,017,900
2,802,537	2,771,733	3,035,377	3,411,951	3,484,568	3,712,430
21,196,097	22,309,515	23,842,215	25,421,413	26,165,897	26,791,124
25,170,853	24,398,939	27,694,607	35,631,710	34,528,774	38,418,130
18,427,368	21,302,646	23,742,541	26,734,848	28,571,463	28,880,959
10,303,173	10,658,793	12,341,203	13,842,447	14,558,058	14,979,174
2,855,153	2,947,392	3,184,078	3,472,520	3,893,545	3,112,050
1,848,099	2,173,981	2,638,208	2,476,281	2,576,862	2,608,205
25,399,372	30,133,182	29,367,351	31,272,158	33,437,958	32,065,423
39,644,903	21,927,005	24,761,678	27,858,843	41,849,612	45,238,625
901,476	4,031,054	1,360,413	1,454,472	1,555,111	2,487,416
784,283	971,210	974,351	1,108,672	1,058,203	1,663,900
173,716,610	**164,687,050**	**179,027,028**	**199,504,287**	**219,413,909**	**228,823,338**
(5,132,730)	16,936,617	18,179,644	5,485,237	(3,015,295)	(16,943,866)
35,839,740	19,160,932	15,279,541	20,186,930	47,911,080	29,231,417
(26,710,797)	(16,514,849)	(14,479,824)	(19,719,792)	(47,411,844)	(28,922,263)
-	13,544,937	1,685,632	4,912,449		17,055,138
-	-	-	-	-	-
9,128,943	16,191,020	2,485,349	5,379,587	499,236	17,364,292
$ 3,996,213	**$ 33,127,637**	**$ 20,664,993**	**$ 10,864,824**	**$ (2,516,059)**	**$ 420,426**
1.26%	3.51%	1.51%	1.49%	1.47%	2.26%

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

	2016	2017	2018	2019
Restaurants & Bars	$ 211,408,110	$ 220,605,183	$ 232,407,146	$ 238,987,880
Electronic Shopping & Mail-Order Houses	21,210,574	40,735,145	50,647,172	62,055,246
Department Stores & General Merchandise	264,384,639	265,609,205	280,312,063	286,929,211
Motor Vehicle Dealers, Auto Parts & Leasing	123,159,183	135,160,541	140,963,620	151,870,172
Building Materials, Lawn & Garden Supplies	120,164,180	126,548,513	130,413,298	139,493,874
Utilities	64,911,876	68,015,461	72,404,726	76,500,623
Used Merchandise Stores	55,576,353	60,689,744	61,665,848	64,653,055
Clothing & Clothing Accessories Stores	128,678,615	123,988,123	119,278,467	101,732,469
Sporting Goods, Hobby, Book & Music Stores	70,118,603	67,073,041	59,177,505	55,521,130
Consumer Goods & Commercial Equipment Rental	35,674,860	39,782,395	44,573,117	46,715,288
Hotels, Motels & Other Accommodations	35,576,429	35,964,857	37,776,265	41,025,271
Grocery Stores & Specialty Foods	155,842,903	167,949,122	158,424,696	198,525,897
Electronics & Appliance Stores	32,363,432	34,357,053	35,936,636	40,876,629
Health & Personal Care Stores	25,362,219	24,950,613	24,642,318	26,693,289
Beer, Wine & Liquor Stores	37,378,773	39,021,329	38,449,194	33,937,477
Gasoline Stations with Convenience Stores	15,149,542	15,435,763	16,466,845	19,198,877
Broadcasting & Telecommunications	39,859,130	37,607,236	34,838,716	30,987,036
Furniture & Home Furnishing Stores	23,765,980	24,961,249	22,090,985	22,833,594
Office Supplies, Stationery & Gift Stores	9,599,761	8,016,689	10,376,476	8,333,256
All Other Categories	53,390,700	58,821,431	59,624,192	92,211,871
	$ 1,523,575,862	**$ 1,595,292,693**	**$ 1,630,469,285**	**$ 1,739,082,145**

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

2020	2021	2022	2023	2024	2025
$ 294,881,782	$ 238,074,845	$ 277,578,526	$ 288,565,670	$ 301,534,802	$ 309,322,233
164,591,606	89,749,812	121,930,032	124,713,212	197,445,415	225,396,133
202,326,833	317,428,259	326,857,321	350,861,879	229,266,830	215,804,624
197,191,418	165,939,676	190,000,311	198,958,083	206,033,718	206,488,429
153,298,019	183,983,823	197,590,262	195,579,961	192,198,259	182,025,006
79,564,095	83,380,551	93,226,023	104,285,837	100,296,851	108,244,405
74,685,815	75,311,160	83,710,259	96,146,668	97,525,566	106,836,333
61,865,587	87,690,040	77,213,508	69,971,173	74,538,246	78,253,734
37,934,351	64,700,621	59,857,054	55,773,356	53,698,219	56,389,816
52,813,645	49,112,779	51,093,699	51,677,204	71,802,408	54,774,425
43,062,942	31,598,031	45,832,723	53,488,693	56,283,914	54,252,496
69,251,659	196,410,035	204,807,650	212,307,412	75,672,058	52,893,339
37,270,346	44,458,171	45,203,488	43,460,000	39,879,931	37,997,149
28,979,368	34,072,346	36,299,748	33,196,429	32,737,107	31,244,151
28,766,053	35,780,673	34,868,934	31,454,654	29,156,496	27,232,292
21,580,216	24,155,019	27,538,957	30,087,391	26,174,882	26,196,453
20,833,909	26,173,040	26,059,751	23,916,156	22,340,631	23,122,062
13,110,769	24,260,464	25,744,436	19,947,972	18,034,444	16,764,146
9,424,348	7,586,446	7,887,035	6,810,089	6,699,380	6,271,722
95,991,984	108,395,289	144,785,670	171,257,420	205,840,857	257,205,886
$ 1,687,424,745	**$ 1,888,261,080**	**$ 2,078,085,387**	**$ 2,162,459,259**	**$ 2,037,160,014**	**$ 2,076,714,834**

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

	State	County	City	Centerra Metro District
2016	2.90%	0.65%	3.00%	1.75%
2017	2.90%	0.65%	3.00%	1.75%
2018	2.90%	0.55%	3.00%	1.75%
2019	2.90%	0.80%	3.00%	1.75%
2020	2.90%	0.80%	3.00%	1.75%
2021	2.90%	0.80%	3.00%	1.75%
2022	2.90%	0.80%	3.00%	1.75%
2023	2.90%	0.80%	3.00%	1.75%
2024	2.90%	0.80%	3.00%	1.75%
2025	2.90%	0.80%	3.00%	1.75%

Source: City of Loveland Revenue Division

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

Tax Remitter by Category	Fiscal Year 2016				Fiscal Year 2025			
		Tax Liability	Rank	Percentage of Total Tax Collected		Tax Liability	Rank	Percentage of Total Tax Collected
Restaurants & Bars	$	5,666,653	2	13.53%	$	8,530,266	1	14.51%
Electronic Shopping & Mail-Order Houses						6,753,241	2	11.49%
Department Stores & General Merchandise		7,672,042	1	18.32%		6,258,443	3	10.65%
Motor Vehicle Dealers, Auto Parts & Leasing		3,251,136	5	7.76%		5,576,527	4	9.49%
Building Material & Lawn & Garden Supplies		3,531,010	4	8.43%		5,455,327	5	9.28%
Misc. Retail including Used Merchandise Stores		1,510,423	9	3.61%		3,322,140	6	5.65%
Utilities		1,942,702	7	4.64%		3,247,893	7	5.53%
Consumer Goods & Commercial Equipment Rental						1,654,778	8	2.82%
Hotels, Motels, & Other Accommodations						1,573,297	9	2.68%
Grocery Stores & Specialty Foods		4,651,454	3	11.11%		1,450,836	10	2.47%
Sporting Goods, Hobby, Book & Music Stores		1,754,736	8	4.19%				
Clothing & Clothing Accessories Stores		2,743,192	6	6.55%				
Broadcasting & Telecommunications		1,159,012	10	2.77%				
Total (Top Ten Principal Remitters only)	**$**	**33,882,360**		**80.90%**	**$**	**43,822,748**		**74.55%**
Total Sales Tax Collected	**$**	**41,883,791**			**$**	**58,782,722**		

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	Leases	Certificates of Participation[1]	Oversizing Agreements	IGA for Apparatus	Financing Agreements	Loan Agreement
2016	-	-	3,584,914	-	-	-
2017	-	15,900,000	2,808,389	-	-	-
2018	4,134,297	15,900,000	2,161,206	-	-	-
2019	3,901,848	15,900,000	1,554,023	961,811	-	-
2020	3,661,054	15,540,000	1,180,149	811,811	-	-
2021	-	15,170,000	911,443	-	12,544,937	1,000,000
2022	1,935,254	14,790,000	759,475	-	11,910,376	1,000,000
2023	6,278,087	14,390,000	708,204	-	11,313,893	1,000,000
2024	5,730,076	13,985,000	708,204	-	10,676,254	913,634
2025	5,259,476	25,905,352	5,721,982	-	13,839,127	824,430

	Business-Type Activities						
Fiscal Year	Oversizing Agreements	Water and Wastewater Bonds[1]	Electric & Communication Bonds[1]	Stormwater Bonds[1]	Financing Agreements	Leases	Loan Agreement
2016	10,678	13,200,000	-	-	-	-	-
2017	-	13,150,000	-	-	-	-	-
2018	48,652	36,880,000	-	-	-	-	-
2019	109,591	35,575,000	95,142,885	-	-	-	-
2020	118,274	34,225,000	94,737,770	-	-	-	-
2021	143,691	85,399,814	94,298,895	-	-	-	-
2022	328,545	79,556,516	93,893,780	-	-	1,348,978	-
2023	454,213	76,813,218	92,238,665	-	484,144	1,105,536	-
2024	171,658	73,969,920	114,455,477	17,672,720	355,075	3,427,346	-
2025	728,262	166,407,874	111,322,626	17,249,198	221,416	3,158,070	7,150,831

Fiscal Year	Total Primary Government	Percentage of Personal Income	Per Capita
2016	16,795,592	0.50%	225.7
2017	31,858,389	0.89%	421.1
2018	59,124,155	1.54%	779.6
2019	153,145,158	3.66%	1,982.9
2020	150,274,058	3.49%	1,952.3
2021	209,468,780	4.83%	2,742.5
2022	205,522,924	3.58%	2,644.8
2023	204,785,960	3.00%	2,453.0
2024	242,065,364	3.47%	2,864.0
2025	357,788,644	4.94%	4,175.9

[1] Includes Premium

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, 2025

	Debt Outstanding	Percentage Applicable to Loveland[1]	Loveland's Share of Debt
Governmental Unit			
City of Loveland - Debt Applicable to Debt Limit	$ 51,550,367	100.0%	$ 51,550,367
Thompson R2-J School District	196,966,526	55.9%	110,104,288
Total			**$ 161,654,655**

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 6/30/2025.

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

	2016	2017	2018
Debt Limit	258,781,268	315,872,211	322,651,905
Total net debt applicable to limit	-	15,900,000	15,900,000
Legal debt margin	$ 258,781,268	$ 299,972,211	$ 306,751,905
Total net debt applicable to the limit as a percentage of debt limit	0.00%	5.03%	4.93%

Legal Debt Margin Calculation for Fiscal Year 2025

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

	2019	2020	2021	2022	2023	2024	2025
	378,228,794	383,115,598	415,758,875	422,767,599	529,118,569	540,452,979	616,698,062
	15,900,000	15,540,000	16,170,000	15,790,000	15,390,000	14,898,634	26,729,782
	$ 362,328,794	$ 367,575,598	$ 399,588,875	$ 406,977,599	$ 513,728,569	$ 525,554,345	$ 589,968,280
	4.20%	4.06%	3.89%	3.73%	2.91%	2.76%	4.33%

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	
2016	11,944,794	10,449,268	1,495,526	-	315,865	315,865	4.73
2017	13,763,155	10,644,392	3,118,763	600,000	413,835	1,013,835	3.08
2018	27,854,645	21,040,959	6,813,686	620,000	533,760	1,153,760	5.91
2019	31,132,049	20,367,429	10,764,620	1,305,000	3,662,902	4,967,902	2.17
2020	101,007,770	83,980,901	17,026,869	1,350,000	5,132,881	6,482,881	2.63
2021	116,057,060	104,116,535	11,940,525	880,000	4,828,905	5,708,905	2.09
2022	125,844,057	115,280,272	10,563,785	5,525,000	6,555,648	12,080,648	0.87
2023	130,031,622	119,054,419	10,977,203	3,675,000	6,344,867	10,019,867	1.10
2024	160,457,795	137,479,107	22,978,688	6,115,000	6,378,988	12,493,988	1.84
2025	172,944,827	147,090,066	25,854,761	5,705,000	8,177,007	13,882,007	1.86

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Beginning in 2021, operating expenses include depreciation.

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]
2016	73,349	$ 3,324,029,982	$ 45,318	39.1	3.2
2017	73,987	$ 3,486,045,479	$ 47,117	40.1	2.5
2018	74,719	$ 3,776,223,541	$ 50,539	40.2	2.9
2019	75,441	$ 4,087,996,908	$ 54,188	40.2	2.3
2020	75,600	$ 4,224,830,400	$ 55,884	39.9	7.4
2021	77,016	$ 4,377,281,376	$ 56,836	40.0	6.4
2022	82,788	$ 6,118,612,716	$ 73,907	40.2	5.0
2023	83,484	$ 6,837,172,632	$ 81,898	40.4	3.3
2024	84,521	$ 6,980,758,432	$ 82,592	40.8	4.7
2025	85,523	$ 7,235,587,892	$ 84,604	40.7	3.7

Source:

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

[2]Larimer County, separate City statistics not available

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

Employer	2016 Employees	2016 Rank	2016 % of Total City Employment	2025 Employees	2025 Rank	2025 % of Total City Employment (A)
Thompson School District R2-J	2,115	1	5.14%	2,650	1	5.39%
Medical Center of the Rockies	1,450	2	3.53%	1,750	2	3.56%
Wal-Mart Distribution Center	1,250	3	3.04%	1,650	3	3.36%
Wal-Mart Super Centers				1,650	3	3.36%
City of Loveland	772	6	1.88%	1,250	5	2.54%
Hach Company	800	5	1.95%	850	6	1.73%
Nutrein USA	900	4	2.19%	500	8	1.02%
Simply Delicious LLC / Bobos				550	7	1.12%
Mears Group Inc				400	9	0.81%
United Parcel Services				400	9	0.81%
McKee Medical	577	7	1.40%			
Woodward Governor	360	8	0.88%			
Good Samaritan Society	225	9	0.55%			
North Shore Health & Rehab	370	10	0.90%			
Total (Top Ten Principal Employers)	**8,819**		**21.44%**	**11,650**		23.69%
Total City Employment	**41,128**			**49,169**		

Source: City of Loveland Economic Development Department, 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). Due to privacy issues, employee counts are estimated numbers.

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

Function/Program	2016[1]	2017	2018	2019	2020[2]	2021	2022	2023	2024[3]	2025
Executive & Legal	18	21	24	24	-	-	-	-	-	-
City Manager	-	-	-	-	9	9	10	12	25	24
City Attorney	-	-	-	-	9	8	8	9	9	9
City Clerk	4	4	5	5	5	5	5	5	5	5
Communications & Engagement	-	-	-	-	-	-	-	-	4	5
Economic Development	7	8	8	8	8	8	9	9	9	10
Finance	45	48	51	51	51	56	60	61	50	47
Development Services	30	28	29	29	27	27	29	29	30	31
Municipal Court	-	-	-	-	5	7	7	8	8	9
Public Works	96	103	109	109	108	109	109	117	116	115
Police	151	159	161	161	171	171	175	179	184	187
Law Enforcement Training Center	-	-	-	-	-	-	-	2	2	2
Fire	84	92	92	92	108	108	109	120	121	134
Parks & Recreation	67	68	71	71	72	72	72	76	80	77
Library	32	32	32	33	32	32	31	31	31	24
Cultural Services	13	13	14	14	15	15	17	17	17	17
Human Resources	13	13	14	14	14	15	16	16	17	17
Information Technology	23	23	23	23	22	24	24	24	24	26
Golf - Parks & Recreation	14	14	14	14	14	14	15	15	16	16
Water & Power	132	136	143	145	179	181	189	205	218	234
Solid Waste - Public Works	28	29	30	30	31	31	31	34	36	39
Stormwater - Public Works	14	15	17	17	17	16	18	18	18	21
Total	771	806	837	840	897	908	934	987	1,020	1,049

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 Municpal Court.

3 In 2024, Meter Readers were moved from the Finance department to Water & Power and the Communications & Engagement division was moved from City Manager to its own department.

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

Function/Program	2016	2017	2018	2019
General Government				
Building Permits Issued	2,624	2,581	2,757	2,356
Building Inspections Conducted	28,787	26,267	25,242	28,535
Police				
Physical Arrests (Adults)	2,825	3,029	2,964	3,099
Physical Arrests (Juveniles)	552	641	799	829
Parking Violations	1,857	1,826	2,333	1,957
Traffic Violations	7,775	9,799	12,524	13,654
Fire				
Emergency Responses	7,907	8,393	8,450	8,968
Fires Extinguished	54	34	27	31
Business Inspections	416	255	289	271
New Construction Inspections	776	731	867	948
Solid Waste Collection				
Solid Waste Collected (tons per day)	98	99	104	99
Recyclables Collected (tons per day)	28	27	27	26
Yard Waste Collected (tons per day)	39	39	39	38
Other Public Works				
Street Resurfacing (miles)	17	10	25	27
Potholes Repaired	5,653	3,258	4,015	5,824
Parks and Recreation				
Athletic Field & Court Reservations	16,928	17,564	14,086	13,030
Chilson Center Admissions	464,059	445,713	442,679	464,562
Rounds of Golf	118,348	117,494	109,560	106,016
Library				
Volumes in Collection (Physical)	152,993	134595[2]	127,786	124,000
Volumes in Collection (Digital)	537,219	49,386	65,885	85,150
Water				
New Connections	403	370	286	270
Water Main Breaks	88	48	56	45
Average Daily Consumption (thousands of gallons)	10,613	10,160	10,707	9,926
Peak Daily Consumption (thousands of gallons)	27,300	27,426	27,698	24,813
Wastewater				
Average Daily Sewage Treatment (thousands of gallons)	6,530	6,158	5,970	5,933
Power				
Megawatt hours (purchased from PRPA)	731,596	724,614	741,955	724,032
Transit				
Total Route Miles	238,217	236,905	279,970	305,415
Passengers	116,964	105,917	104,144	118,236

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.

2020	2021	2022	2023	2024	2025
3,210	3,420	3,676	3,238	4,857	3,587
26,720	35,724	44,636	25,648	27,844	27,230
2,853	3,050	2,492	2,846	3,147	3,916
302	315	433	405	414	409
1,879	2,280	1,872	1,165	892	988
10,461	7,279	5,596	5,679	5,412	6,846
9,059	9,929	10,807	11,484	11,197	11,589
36	35	45	31	45	41
16	225	422	714	509	1,064
695	758	917	812	1,000	931
101	106	106	108	103	104
26	25	25	25	27	26
38	38	38	50	50	26
29	32	31	30	28	35
4,308	5,746	6,843	6,754	2,393	1,242
8,410	18,238	18,236	21,890	13,998	12,234
162,218	224,204	305,567	307,096	381,358	359,090
123,275	139,321	146,831	148,375	165,990	171,119
124,444	117,194	121,850	124,761	122,020	106,097
37,359[5]	136,185[5]	97,230[6]	107,203	119,404	43,704
425	516	563	346	287	261
39	47	39	23	45	47
10,777	10,502	10,818	8,871	10,633	10,257
26,788	27,027	26,983	23,519	25,199	25,779
5,934	6,269	5,675	6,164	6,149	5,727
711,481	733,085	748,434	725,177	736,983	748,420
289,701	319,506	361,862	408,704	477,071	486,056
74,213	79,827	98,615	122,297	141,026	148,494

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.

[6]The change in the electronic items is a reflection of our consortium spending less money on electronic items now that COVID has declined.

Source: City of Loveland Departments

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

	2016	2017	2018	2019	2020
Police					
Stations	1	1	1	1	1
Divisions / Units	12	12	12	12	12
Fire Stations	6	6	6	6	7
Solid Waste Collection					
Collection Trucks	24	22	22	22	22
Other Public Works					
Highways (miles)[1]	24	24	24	119	131
Streets (miles)[1]	343	343	313	229	239
Traffic Signals	94	97	95	95	96
Parks and Recreation					
Acreage - Developed Park	438	438	453	453	453
Playgrounds	28	28	28	28	28
Splash Parks	2[4]	2	2	2	2
Baseball/Softball Diamonds	30	30	30	30	30
Soccer/Football Fields	38	38	38	39	39
Tennis courts					
Pickleball courts					
Community Centers/Recreation Center	1	1	1	1	1
Water					
Water Mains (miles)	456	459	463	483	469
Fire Hydrants	3,103	3,134	3,171	3,295	3,247
Storage Capacity (thousands of gallons)	20,300	20,300	20,560	20,560	20,560
Wastewater					
Sanitary Sewers (miles)	348	350	353	373	359
Treatment Capacity (thousands of gallons)	10,000	10,000	10,000	10,000	10,000
Power					
Overhead Conductors (miles)	297	289	287	283	282
Underground Conductors (miles)	1,097	1,121	1,122	1,135	1,137
Streetlights	6,188	6,237	6,435	6,454	6,716
Transit					
Fixed Route[2]	7	6	9	9	9
Paratransit[2]	2	3	3	3	3

Note:

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

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

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

2021	2022	2023	2024	2025
1	1	1	1	1
12	12	16	16	17
7	9	9	10	10
22	22	28	28	28
154	130	131	132	133
273	259	261	263	267
96	98	100	100	102
453	453	453	453	463
28	28	28	28	29
2	2	2	2	2
30	30	30	30	30
39	39	39	39	39
			25	23
			18	18
1	1	1	1	1
473	464	483	486	490
3,289	3,364	3,378	3,405	3,440
26,060	26,060	26,060	26,060	26,060
363	370	370	373	376
10,000	10,000	10,000	10,000	10,000
280	279	277	276	274
1,189	1,222	1,239	1,256	1,269
6,895	7,063	7,115	7,185	7,284
8	10	10	11	11
3	3	3	3	3

Schedule 17
CITY OF LOVELAND, COLORADO
Schedule of Terms

A

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

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

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

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

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

American Rescue Plan Act (ARPA): The American Rescue Plan is an economic stimulus bill passed by the 117th US Congress and signed into law by President Biden on March 11, 2021. The Act guaranteed direct relief to cities, towns and villages in the United States due to the COVID pandemic.

Assessed Valuation: A valuation that is set upon real estate or other property by the county assessor to establish a basis for levying taxes. It is equal to 7.15% of market value for residential property and 29% for commercial and industrial property.

Asset Retirement Obligation (ARO): An obligation by the City for costs relating to the retirement of a tangible capital asset.

Assigned Fund Balance: Amounts constrained by the City's intent to use them for a specific purpose.

B

BPPT: Business Personal Property Tax

Bond: A form of borrowing money for major capital projects, such as buildings and streets. The City obligates itself to repay the principal at a stated rate of interest over a stated period of time.

Budget: A financial plan of estimated expenditures and the means of financing them for a state period of time. Upon approval by the City Council the budget appropriation or ordinance is the legal basis for expenditures in the budget year.

C

Capital Outlay: An item that costs $5,000 or more and is expected to last one year or longer. Examples include vehicles and equipment.

Capital Expansion Fee (CEF): An assessment on new development to contribute to providing new infrastructure necessitated by population growth.

Capital Program: An annually updated plan of capital expenditures for public facilities, infrastructure and major fixed assets with estimated costs, sources of funding and timing of projects over a five-year period.

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

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

CDBG: Community Development Block Grant.

CDOT: Colorado Department of Transportation.

CEF: Capital Expansion Fee (see definition above).

CFAC: Citizens' Finance Advisory Commission.

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

COVID: The COVID pandemic is a global pandemic of coronavirus disease 2019 that was declared an outbreak by the World Health Organization on January 30, 2020.

CPI: Consumer Price Index.

CSAFE: Colorado Surplus Asset Fund Trust

D

DBA: Doing Business As

DDA: Downtown Development Authority

Debt Service: Principal and interest due on long-term debt such as loans, notes and bonds incurred by the City.

Defease: A provision in a contract that voids a bond or loan when the borrower sets aside cash or bonds sufficient enough to service the borrower's debt.

Department: Major unit of organization in the City.

Depreciation: Expiration in the service life of fixed assets because of wear and tear, deterioration, action of physical elements, inadequacy or obsolescence.

Division: Sub-unit of a department.

E

Encampment: The City of Loveland issued an emergency ordinance to deal with the issue of currently unhoused individuals camping on City property. The City calls this issue encampment.

Encumbrance: Obligations in the form of purchase orders or contracts which are chargeable to an appropriation and for which a part of the appropriation is reserved. Obligations cease to be encumbrances when paid or when the actual liability is set up.

Enterprise Fund: Funds that are self-supported through user fees. Examples include water, waste water, golf, solid waste, stormwater, and power & communications. Through the TABOR amendment, these funds cannot have more than 10% of their budget subsidized by taxes. This term is interchangeable with Proprietary Fund.

EPA: Environmental Protection Agency

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

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

F

FDIC: Federal Deposit Insurance Corporation.

FEMA: Federal Emergency Management Agency.

FHWA: Federal Highway Administration.

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

FIFO: First In First Out inventory valuation method.

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

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

FLSA: Fair Labor Standards Act.

FPPA: An abbreviation for Fire and Police Pension Association.

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

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

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

G

GAAP: Generally Accepted Accounting Principles.

GASB: Governmental Accounting Standards Board.

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

GFOA: Government Finance Officers Association.

GID: General Improvement District #1.

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

H

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

HUTF: Highway User Tax Funds.

I

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

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

ICMA: International City/County 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

SBITA: Subscription-Based Information Technology Agreement. Which is a contract that conveys control of the right to use another party's information technology software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction.

Self-Insurance: Establishment of a sum of money sufficient to pay anticipated claims. Used as a planning process to control costs and coverage in lieu of paying premiums to insurance companies.

SIC: Summary by Industry Code.

SID: Special Improvement District. (See definition below).

SIF: System Impact Fee. (See definition below.)

Services Rendered: Charges made to a fund for support services provided by another fund.

Special Assessment: A compulsory levy made against certain properties to defray part or all of the cost of a specific improvement or service deemed to primarily benefit those properties.

Special Improvement District (SID): A district composed of property owners who have agreed to join together to complete and pay for the cost of public improvements.

Special Revenue Funds: A fund used to account for the proceeds of specific revenues that are legally restricted to be spent for specific purposes. Example: Capital Expansion Fees.

Subscription Based Information Technology Agreements: A contract that conveys control of the right to use another party's information technology software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction

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

T-U

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

TIF: Tax Increment Finance

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

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

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

V-Z

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

Windy Gap 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.

City of Loveland, Colorado
Federal Grant Programs

December 31, 2025

Table of Contents

Report of Independent Auditors 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*

The City Council
City of Loveland, Colorado

We have audited, in accordance with the 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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the City of Loveland (the City) as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise of the City's basic financial statements, and have issued our report thereon dated June 29, 2026.

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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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*.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Baker Tilly US, LLP

Medford, Oregon
June 29, 2026

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

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's (the City) compliance with the types of compliance requirements identified as subject to audit in the 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, 2025. 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 its major federal programs for the year ended December 31, 2025.

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 (*Government Auditing Standards*); 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* (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.

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.

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.

Baker Tilly US, LLP

Medford, Oregon
June 29, 2026

City of Loveland, Colorado
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2025

Federal Agency/Pass-through Agency/Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures	Amounts Provided to Subrecipients
U.S. Department of Agriculture				
Direct				
Emergency Watershed Protection Program	10.923	N/A	90,702	-
Total U.S. Department of Agriculture			**90,702**	**-**
U.S. Department of Commerce				
Passed Through CO Dept. of Local Affairs/CO Tourism Office OEDIT				
COVID-19 - Economic Adjustment Assistance	11.307	POGG1 2023-3128	38,228	-
Total U.S. Department of Commerce			**38,228**	**-**
U.S. Department of Housing and Urban Development				
Direct				
Community Development Block Grants/Entitlement Grants 2022/2023	14.218	N/A	75,490	75,490
Community Development Block Grants/Entitlement Grants 2023/2024	14.218	N/A	32,193	32,193
Community Development Block Grants/Entitlement Grants 2024/2025	14.218	N/A	387,519	322,469
Community Development Block Grants/Entitlement Grants 2025/2026	14.218	N/A	27,832	-
COVID-19 Community Development Block Grants/Entitlement Grants	14.218	N/A	5,506	5,405
Total Community Development Block Grant Cluster Entitlement/Special Purpose Grants			528,540	435,557
Community Project Funding	14.251	N/A	190,000	-
Total U.S. Department of Housing and Urban Development			**718,540**	**435,557**
U.S Department of the Interior				
Passed Through History Colorado				
Historic Preservation Fund Grants-In-Aid	15.904	Not available	13,079	-
Passed Through CO Parks and Wildlife/Land and Water Conservation Fund				
Willow Bend Park and Natural Area	15.916	POGG1,KAPP,202400002018	45,915	-
Total U.S. Department of Interior			**58,994**	**-**
U.S. Department of Justice/Office of Justice Programs				
Passed Through CO Dept. Public Safety/Div. of Criminal Justice				
Victims of Crime Act Program (VOCA)	16.575	2022-VA-23-280-08	33,397	-
Total U.S. Department Justice/Office of Justice Programs			**33,397**	**-**
U. S. Department of Transportation				
Direct				
Airport Improvement Program - Taxiway Rehab	20.106	N/A	46,072	-
Passed through Colorado Department of Transportation				
Highway Planning and Construction - Congestion Mitigation & Air Quality	20.205	21-HA4-XC-03177	82,790	-
Highway Planning and Construction - Boise Trail	20.205	23-HA4-XC-00114	599,632	-
Highway Planning and Construction - Wilson	20.205	17-HA4-XC-00082	567,821	-
Total Highway Planning and Construction			1,250,243	-
Highway Safety Improvement Program	20.272	24-HA4-XC-00196	184,318	-
Highway Safety Improvement Program	20.272	24-HA4-XC-00050	22,776	-
Total Highway Safety Improvement Program			207,094	-
Direct:				
2024 FTA 5307 Grant	20.507	CO-2024-002-00	4,610	-
2025 FTA 5307 Grant	20.507	CO-2025-002-00	897,561	-
2025 Competitive 5339 Bus	20.526	CO-2025-015-00	10,393	-
Total Federal Transit Cluster			912,564	-
Total U.S. Department of Transportation			**2,415,973**	**-**
U.S. Treasury Department				
Passed Through CO Dept. of Local Affairs				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	SLT-1797	185,146	176,647
Passed through Colorado Office of the Governor				
COVID-19 Coronavirus Capital Projects Fund	21.029	CTGG1 2025-2045	286,397	
Total U.S. Treasury Department			**471,543**	**176,647**

See notes to schedule of expenditures of federal awards.

City of Loveland, Colorado
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2025

Federal Agency/Pass-through Agency/Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures	Amounts Provided to Subrecipients
U.S. Department of Health and Human Services				
Direct				
Congressionally Directed Spending - Construction	93.493	N/A	500,000	-
Total U.S. Department of Health and Human Services			**500,000**	-
AmeriCorps				
Passed through Serve Colorado				
Digital Navigator Programming for Regional Larimer County Libraries	94.021	Not available	370,000	-
Total AmeriCorps			**370,000**	-
Federal Emergency Management Agency				
Passed through Colorado Department of Public Safety:				
Hazard Mitigation Grant-Hwy 287/402 Bridge Design & Feasibility Study	97.039	22HMGP12LOV	755,777	-
Building Resilient Infrastructure and Communities	97.047	22BRIC03LOV	11,399	
Total U.S. Department Of Homeland Security			**767,176**	-
Total Expenditures of Federal Awards			**$ 5,464,553**	**$ 612,204**

See notes to schedule of expenditures of federal awards.

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the City of Loveland, Colorado (the "City") under programs of the federal government for the year ended December 31, 2025. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported in the Schedule are reported on the same basis of accounting as the basic financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The pass-through entity identifying numbers are presented where available. The City has elected not to use the *de minimis* indirect cost rate to recover indirect costs, as allowed under the Uniform Guidance.

City of Loveland, Colorado
Schedule of Findings and Questioned Costs
Year Ended December 31, 2025

Section I - Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	☐ Yes ☒ No
• Significant deficiency(ies) identified?	☐ Yes ☒ None reported
Noncompliance material to financial statements noted?	☐ Yes ☒ No

Federal Awards

Internal control over major federal programs:	
• Material weakness(es) identified?	☐ Yes ☒ No
• Significant deficiency(ies) identified?	☐ Yes ☒ None reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	☐ Yes ☒ No

Identification of major federal programs and type of auditor's report issued on compliance for major federal programs:

Federal Assistance Listing Numbers	*Name of Federal Program or Cluster*	*Type of Auditor's Report Issued on Compliance for Major Federal Programs*
20.205	Highway Planning and Construction	Unmodified
20.507 / 20.526	Federal Transit Cluster	Unmodified
97.039	Hazard Mitigation Grant Program	Unmodified

Dollar threshold used to distinguish between type A and type B programs: $ 1,000,000

Auditee qualified as low-risk auditee? ☐ Yes ☒ No

Section II - Financial Statement Findings

None reported.

Section III - Federal Award Findings and Questioned Costs

None reported.

Finance Department
500 E. 3rd Street, Suite 320 | Loveland, CO 80537
970-962-2695
lovgov.org/finance

City of Loveland, Colorado

Summary Schedule of Prior Audit Findings

For the Fiscal Year Ended December 31, 2025

Finding:

2024-001: ALN 21.027, U.S. Department of the Treasury, COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) Material Weakness in Internal Controls over Compliance for Reporting

Status: Corrected.

2024-002: ALN 14.251, U.S. Department of Housing and Urban Development, Economic Development Initiative – Special Project, Neighborhood Initiative, and Miscellaneous Grants Material Weakness in Internal Controls over Compliance for Reporting

Status: In 2025, semiannual performance and financial reports were completed for the outstanding reports for 2024. The performance and financial reports for the first half of 2025 were submitted in July 2025. The second half of the year was not submitted but is in progress.

2024-003: 15.916, U.S. Department of the Interior, Outdoor Recreation, Acquisition, Development, and Planning Material Weakness in Internal Controls over Compliance for Activities Allowed or Unallowed, Allowable Costs/Cost Principles/Cash Management and Matching

Status: Corrected.

2024-004: 15.916, U.S. Department of the Interior, Outdoor Recreation, Acquisition, Development, and Planning Material Weakness in Internal Controls over Compliance for Procurement and Suspension and Debarment and Material Noncompliance with Procurement and Suspension and Debarment

Status: Corrected.

2024-005: 15.916, U.S. Department of the Interior, Outdoor Recreation, Acquisition, Development, and Planning Material Weakness in Internal Controls over Compliance for Special Tests and Provisions and Material Noncompliance with Special Tests and Provisions

Status: Corrected.

2024-006: 20.205, U.S. Department of Transportation, Highway Planning, and Construction; 15.916, U.S. Department of the Interior, Outdoor Recreation, Acquisition, Development, and Planning Material Weakness in Internal Controls over Compliance for Reporting

Status: Corrected.

LOCAL HIGHWAY FINANCE REPORT		STATE: COLORADO
THIS INFORMATION FROM THE RECORDS OF: CITY OF LOVELAND	PREPARED BY: SARAH CLINEBELL SARAH.CLINEBELL@CITYOFLOVELAND.ORG	REPORT YEAR ENDING 12/2025

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	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. Total (1 - (2 through 4))				

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 Assesments	0.00	a. Interest on investments	429,991.22
b. Non-property Taxes and Assessments Imposts	8,272,423.50	b. Other Misc. Local Receipts	5,676,496.31
c. Total (a + b)	$ 8,272,423.50	**c. Total (a + b)**	$ 6,106,487.53
ITEM	**AMOUNT**	**ITEM**	**AMOUNT**
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user Taxes (from Item I.C.5.)	3,140,114.53	1. FHWA (from Item I.D.5.)	0.00
2. State General Funds		2. Other Federal Agencies:	1,729,130.69
3. Other State funds:			
a. State Bond Proceeds			
b. Non-State Bond Proceeds	962,307.32		
c. Total (a + b)	$ 962,307.32		
4. Total (1 + 2 + 3c)	$ 4,102,421.85	**3. Total (1 + 2)**	$ 1,729,130.69

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT
A.1. Capital outlay:	
a. Right-Of-Way Costs	26,248.42
b. Engineering Costs	1,024,725.09
c. Construction Costs	13,451,879.44
d. Total Capital Outlay (a+ b + c)	$ 14,502,852.95

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO REPORT YEAR ENDING DATE(mm/yyyy): 12/2025

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. Amount 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.1)	
b. Motor Vehicle (from Item I.B.1)	
c. Total (a + b)	
2. General Fund Appropriations	11,690,247.47
3. Other Local Imposts (from page 1, Item II.A3.c)	$ 8,272,423.50
4. Miscellaneous Local Receipts (from page 1, Item II.A4.c)	$ 6,106,487.53
5. Transfers from Toll Facilities	0.00
6. Proceeds of Sale of Bonds and Notes:	
a. Bonds - Original Issues	0.00
b. Bonds - Refunding Issues	0.00
c. Notes	0.00
d. Total (a + b + c)	$ -
7. Total (1 through 6)	$ 26,069,158.50
B. Private Contributions	19,597,260.00
C. Receipts from State government (from page 1, Item II.C.4)	$ 4,102,421.85
D. Receipts from Federal government (from page 1, Item II.D.3)	$ 1,729,130.69
E. Total receipts (A.7 + B + C + D)	$ 51,497,971.04

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway expenditures:	
1. Capital Outlay (from page 1, Item III.A1.d)	$ 14,502,852.95
2. Maintenance:	13,279,314.07
3. Road and Street Services:	
a. Snow and Ice Removal	835,723.15
b. Other & Traffic Control Operations	3,614,705.94
c. Total (a + b)	$ 4,450,429.09
4. General Administration & Miscellaneous	2,607,395.24
5. Highway Law Enforcement and Safety	16,657,979.70
6. Total (1 through 5)	$ 51,497,971.04
B. Debt Service on Local Obligations:	
1. Bonds:	
a. Interest	0.00
b. Redemption	0.00
c. Total (a + b)	$ -
2. Notes:	
a. Interest	0.00
b. Redemption	0.00
c. Total (a + b)	$ -
3. Total (1c + 2c)	$ -
C. Payments to State for Highways	0.00
D. Payments to Toll Facilities	0.00
E. Total Expenditures (A6 + B3 + C + D)	$ 51,497,971.04

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

ITEM	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DEBT
A. Bonds (Total)	0	$ -	$ -	$ -
1. Bonds (Refunding Portion)		$ -		
B. Notes (Total)	0	$ -	$ -	$ -