

HARMONY TECHNOLOGY PARK METROPOLITAN DISTRICT

2023 ANNUAL REPORT

**HARMONY TECHNOLOGY PARK METROPOLITAN DISTRICT
2023 ANNUAL REPORT
TO
THE CITY OF FORT COLLINS**

Pursuant to § 32-1-207(3)(c), C.R.S., and the Service Plan for Harmony Technology Park Metropolitan District (the “**District**”), the District is required to provide an annual report to the City of Fort Collins (the “**City**”). The report is to include information concerning matters which occurred during the prior fiscal year.

To the best of our actual knowledge, for the year ending December 31, 2023, the District makes the following report:

§ 32-1-207(3) Statutory Requirements

1. Boundary changes made

There were no changes to the District’s boundaries in 2023.

2. Intergovernmental Agreements entered into or terminated with other governmental entities.

The District did not enter into or terminate any intergovernmental agreements in 2023.

3. Access information to obtain a copy of rules and regulations adopted by the board.

The District has not adopted rules and regulations.

4. A summary of litigation involving public improvements owned by the District.

To our actual knowledge, based on review of the court records in Larimer County, Colorado and the Public Access to Court Electronic Records (PACER), there is no litigation involving the District’s public improvements as of December 31, 2023.

5. The status of the construction of public improvements by the District.

The District did not construct any public improvements during 2023.

6. A list of facilities or improvements constructed by the District that were conveyed or dedicated to the county or municipality.

The District did not construct any facilities or improvements dedicated to or accepted by the City in 2023.

7. The final assessed valuation of the District as of December 31st of the reporting year.

The final assessed valuation of the District as of December 31, 2023 is attached hereto as **Exhibit A**.

8. A copy of the current year's budget.

A copy of the 2024 Budget is attached hereto as **Exhibit B**.

9. A copy of the audited financial statements, if required by the "Colorado Local Government Audit Law", part 6 of article 1 of title 29, or the application for exemption from audit, as applicable.

The 2023 Audit is in progress and will be submitted in a Supplemental Annual Report.

10. Notice of any uncured defaults existing for more than ninety (90) days under any debt instrument of the District.

To our actual knowledge, the District did not receive notice of any uncured defaults existing for more than ninety (90) days under any debt instrument of the District.

11. Any inability of the District to pay its obligations as they come due under any obligation which continues beyond a ninety (90) day period.

To our actual knowledge, there was not any inability of the District to pay its obligations as they come due under any obligation which continues beyond a ninety (90) day period.

Service Plan Requirements

1. A narrative summary of the progress of the District in implementing its Service Plan for the report year.

The District continues to operate and maintain the improvements it owns. No public improvement eligible costs were recognized or accepted by the District in 2023. The District is also making payments on its debt obligations. Additional information can be found in the District's 2023 Audit which will be submitted in a Supplemental Annual Report.

2. Except when exemption from audit has been granted for the report year under the Local Government Audit Law, the audited financial statements of the District for the report year including a statement of financial condition (i.e., balance sheet) as of December 31 of the report year and the statement of operations (i.e. revenues and expenditures) for the report year.

The 2023 Audit is in progress and will be submitted in a Supplemental Annual Report.

The 2024 Budget for the District is attached hereto as **Exhibit B**.

3. **Unless disclosed within a separate schedule to the financial statements, a summary of the capital expenditures incurred by the District in development of Public Improvements in the report year.**

There were no capital expenditures incurred by the District in development of Public Improvements in the report year.

4. **Unless disclosed within a separate schedule to the financial statements, a summary of the financial obligations of the District at the end of the report year, including the amount of outstanding indebtedness, the amount and terms of any new District indebtedness or long-term obligations issued in the report year, the amount of payment or retirement of existing indebtedness of the District in the report year, the total assessed valuation of all taxable properties within the District as of January 1 of the report year and the current mill levy of the District pledged to Debt retirement in the report year.**

A summary of the financial obligations of the District at the end of the report year, including the amount of outstanding indebtedness, the amount and terms of any new District indebtedness or long-term obligations issued in the report year, and the amount of payment or retirement of existing indebtedness of the District in the report year, are disclosed in the 2023 Audit. The total assessed valuation of all taxable property within the District is attached hereto as **Exhibit A**. The 2023 Mill Levy Certification is attached hereto as **Exhibit C**.

5. **Any other information deemed relevant by the City Council or deemed reasonably necessary by the City's manager.**

None requested.

EXHIBIT A
2023 Final Assessed Valuation

CERTIFICATION OF VALUATION BY LARIMER COUNTY ASSESSOR

Name of Jurisdiction: **205 - HARMONY TECHNOLOGY PARK METRO DISTRICT**

IN LARIMER COUNTY ON 12/20/2023

New Entity: No

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY

IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2023 IN LARIMER COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$30,068,538
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$40,787,988
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$40,787,988
5. NEW CONSTRUCTION: **	\$4,269,105
6. INCREASED PRODUCTION OF PRODUCING MINES: #	\$0
7. ANNEXATIONS/INCLUSIONS:	\$0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: #	\$0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b) C.R.S.): ##	\$0
10. TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1))(a) C.R.S.):	\$0.00
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a) C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.):	\$84,335.96

* This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec.20(8)(b), Colo.

** New construction is defined as: Taxable real property structures and the personal property connected with the structure.

Jurisdiction must submit respective certifications (Forms DLG 52 AND 52A) to the Division of Local Government in order for the values to be treated as growth in the limit calculation.

Jurisdiction must apply (Forms DLG 52B) to the Division of Local Government before the value can be treated as growth in the limit calculation.

USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLO CONST, AND 39-5-121(2)(b), C.R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2023 IN LARIMER COUNTY, COLORADO ON AUGUST 25, 2023

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$139,801,000
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !	\$9,739,100
3. ANNEXATIONS/INCLUSIONS:	\$0
4. INCREASED MINING PRODUCTION: %	\$0
5. PREVIOUSLY EXEMPT PROPERTY:	\$0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	\$0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT:	\$0

(If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.)

DELETIONS FROM TAXABLE REAL PROPERTY:	
8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	\$0
9. DISCONNECTIONS/EXCLUSION:	\$0
10. PREVIOUSLY TAXABLE PROPERTY:	\$0

@ This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.

! Construction is defined as newly constructed taxable real property structures.

% Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS : 1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY:----->	\$0
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NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2023

IN ACCORDANCE WITH 39-5-128(1.5) C.R.S. THE ASSESSOR PROVIDES: HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **	\$21,112
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** The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119 f(3). C.R.S.

EXHIBIT B
2024 Budget

HARMONY TECHNOLOGY PARK METROPOLITAN DISTRICT
2024
BUDGET MESSAGE

Attached please find a copy of the adopted 2024 budget for the Harmony Technology Park Metropolitan District No. 2.

The Harmony Technology Park Metropolitan District No. 2 has adopted budgets for three funds, a General Fund to provide for general operating expenditures; a Capital Projects Fund to provide for the estimated infrastructure costs that are to be built for the benefit of the district; and a Debt Service Fund to provide for payments on the outstanding general obligation bonds.

The district's accountants have utilized the modified accrual basis of accounting, and the budget has been adopted after proper postings, publications, and public hearing.

The primary sources of revenue for the district in 2024 will be property taxes and specific ownership tax. The district intends to impose a 16.663 mill levy on the property within the district for 2024, of which 1.010 mills will be dedicated to the General Fund and the balance of 15.653 mills will be allocated to the Debt Service Fund.

Harmony Technology Park Metropolitan District
FKA Harmony Technology Park Metropolitan District No. 2
Adopted Budget
General Fund
For the Year ended December 31, 2024

	Actual <u>2022</u>	Adopted Budget <u>2023</u>	Actual <u>6/30/2023</u>	Estimate <u>2023</u>	Adopted Budget <u>2024</u>
Beginning fund balance	\$ 194,995	\$ 203,075	\$ 182,923	\$ 182,923	\$ 171,127
Revenues:					
Property taxes	57,072	45,103	42,265	45,100	41,196
Specific ownership taxes	4,449	3,301	1,609	3,200	3,002
Interest income	234	50	16	50	50
Total revenues	61,755	48,454	43,890	48,350	44,248
Total funds available	256,750	251,529	226,813	231,273	215,375
Expenditures:					
Accounting / audit	10,626	15,000	4,762	15,000	15,000
Legal	12,978	25,000	4,125	15,000	25,000
Election	2,050	2,500	2,106	2,500	2,500
Insurance	5,545	7,100	5,844	5,844	7,100
Miscellaneous	5,016	200	5	200	200
Maintenance	13,716	20,000	-	15,000	20,000
Engineering	-	5,000	-	5,000	5,000
Directors fees	500	1,400	-	700	1,400
Treasurer fees	1,146	902	845	902	824
Repay developer advances	22,249	-	-	-	-
Contingency	-	172,114	-	-	136,040
Emergency reserve (3%)	-	2,313	-	-	2,311
Total expenditures	73,826	251,529	17,687	60,146	215,375
Ending fund balance	\$ 182,924	\$ -	\$ 209,126	\$ 171,127	\$ -
Assessed valuation		<u>30,068,538</u>			<u>40,787,988</u>
Mill Levy		<u>1.500</u>			<u>1.010</u>

Harmony Technology Park Metropolitan District
FKA Harmony Technology Park Metropolitan District No. 2
Adopted Budget
Capital Projects Fund
For the Year ended December 31, 2024

	Actual <u>2022</u>	Adopted Budget <u>2023</u>	Actual <u>6/30/2023</u>	Estimate <u>2023</u>	Adopted Budget <u>2024</u>
Beginning fund balance	<u>415,328</u>	<u>415,628</u>	<u>418,493</u>	<u>418,493</u>	<u>424,493</u>
Revenues:					
Interest income	3,065	300	5,098	6,000	300
Miscellaneous	<u>100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>3,165</u>	<u>300</u>	<u>5,098</u>	<u>6,000</u>	<u>300</u>
Total funds available	<u>418,493</u>	<u>415,928</u>	<u>423,591</u>	<u>424,493</u>	<u>424,793</u>
Expenditures:					
Capital expenditures	<u>-</u>	<u>415,928</u>	<u>-</u>	<u>-</u>	<u>415,928</u>
Total expenditures	<u>-</u>	<u>415,928</u>	<u>-</u>	<u>-</u>	<u>415,928</u>
Ending fund balance	<u>\$ 418,493</u>	<u>\$ -</u>	<u>\$ 423,591</u>	<u>\$ 424,493</u>	<u>\$ 8,865</u>

Harmony Technology Park Metropolitan District
FKA Harmony Technology Park Metropolitan District No. 2
Adopted Budget
Debt Service Fund
For the Year ended December 31, 2024

	Actual 2022	Adopted Budget 2023	Actual 6/30/2023	Estimate 2023	Adopted Budget 2024
Beginning fund balance	<u>415,166</u>	<u>577,983</u>	<u>616,827</u>	<u>616,827</u>	<u>742,034</u>
Revenues:					
Property taxes	713,400	661,508	619,880	661,508	638,454
Specific ownership taxes	55,609	33,075	23,601	43,000	31,931
Interest income	<u>12,853</u>	<u>2,500</u>	<u>17,116</u>	<u>20,000</u>	<u>2,500</u>
Total revenues	<u>781,862</u>	<u>697,083</u>	<u>660,597</u>	<u>724,508</u>	<u>672,885</u>
Total funds available	<u>1,197,028</u>	<u>1,275,066</u>	<u>1,277,424</u>	<u>1,341,335</u>	<u>1,414,919</u>
Expenditures:					
Interest expense	385,530	316,071	158,114	316,071	309,155
Principal payment	180,000	265,000	-	265,000	330,000
Treasurer's fees	14,330	13,230	1,238	13,230	12,769
Trustee / paying agent fees	<u>341</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>5,000</u>
Total expenditures	<u>580,201</u>	<u>599,301</u>	<u>159,352</u>	<u>599,301</u>	<u>656,924</u>
Ending fund balance	<u>616,827</u>	<u>675,765</u>	<u>1,118,072</u>	<u>742,034</u>	<u>757,996</u>
Assessed valuation		<u>\$ 30,068,538</u>			<u>\$ 40,787,988</u>
Mill Levy		<u>22.000</u>			<u>15.653</u>
Total Mill Levy		<u>23.500</u>			<u>16.663</u>

EXHIBIT C
2023 Mill Levy Certification

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

- | | | |
|-------|-------------------|---|
| 1. | Purpose of Issue: | \$12,415,000 Taxable (Convertible to Tax-Exempt) General Obligation Limited Tax (Convertible to Unlimited Tax) Refunding Loan |
| | Series: | 2020 |
| | Date of Issue: | December 8, 2020 |
| | Coupon Rate: | 3.31% taxable converting to 2.61 tax exempt |
| | Maturity Date: | December 1, 2035 |
| | Levy: | 15.653 |
| | Revenue: | \$638,454 |
| <hr/> | | |
| 2. | Purpose of Issue: | |
| | Series: | |
| | Date of Issue: | |
| | Coupon Rate: | |
| | Maturity Date: | |
| | Levy: | |
| | Revenue: | |

CONTRACTS^K:

- | | | |
|-------|----------------------|--|
| 3. | Purpose of Contract: | |
| | Title: | |
| | Date: | |
| | Principal Amount: | |
| | Maturity Date: | |
| | Levy: | |
| | Revenue: | |
| <hr/> | | |
| 4. | Purpose of Contract: | |
| | Title: | |
| | Date: | |
| | Principal Amount: | |
| | Maturity Date: | |
| | Levy: | |
| | Revenue: | |

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

Notes:

^A **Taxing Entity**—A jurisdiction authorized by law to impose ad valorem property taxes on taxable property located within its territorial limits (please see notes B, C, and H below). For purposes of the DLG 70 only, a taxing entity is also a geographic area formerly located within a *taxing entity's* boundaries for which the county assessor certifies a valuation for assessment and which is responsible for payment of its share until retirement of financial obligations incurred by the *taxing entity* when the area was part of the *taxing entity*. For example: an area of excluded property formerly within a special district with outstanding general obligation debt at the time of the exclusion or the area located within the former boundaries of a dissolved district whose outstanding general obligation debt service is administered by another local government^C.

^B **Governing Body**—The board of county commissioners, the city council, the board of trustees, the board of directors, or the board of any other entity that is responsible for the certification of the *taxing entity's* mill levy. For example: the board of county commissioners is the governing board ex officio of a county public improvement district (PID); the board of a water and sanitation district constitutes ex officio the board of directors of the water subdistrict.

^C **Local Government** - For purposes of this line on Page 1 of the DLG 70, the local government is the political subdivision under whose authority and within whose boundaries the *taxing entity* was created. The local government is authorized to levy property taxes on behalf of the *taxing entity*. For example, for the purposes of this form:

1. a municipality is both the local government and the *taxing entity* when levying its own levy for its entire jurisdiction;
2. a city is the local government when levying a tax on behalf of a business improvement district (BID) *taxing entity* which it created and whose city council is the BID board;
3. a fire district is the local government if it created a subdistrict, the *taxing entity*, on whose behalf the fire district levies property taxes.
4. a town is the local government when it provides the service for a dissolved water district and the town board serves as the board of a dissolved water district, the *taxing entity*, for the purpose of certifying a levy for the annual debt service on outstanding obligations.

^D **GROSS Assessed Value** - There will be a difference between gross assessed valuation and net assessed valuation reported by the county assessor only if there is a “tax increment financing” entity (see below), such as a downtown development authority or an urban renewal authority, within the boundaries of the *taxing entity*. The board of county commissioners certifies each *taxing entity's* total mills upon the *taxing entity's* Gross Assessed Value found on Line 2 of Form DLG 57.

^E **Certification of Valuation by County Assessor, Form DLG 57** - The county assessor(s) uses this form (or one similar) to provide valuation for assessment information to a *taxing entity*. The county assessor must provide this certification no later than August 25th each year and may amend it, one time, prior to December 10th.

^F **TIF Area**—A downtown development authority (DDA) or urban renewal authority (URA), may form plan areas that use “tax increment financing” to derive revenue from increases in assessed valuation (gross minus net, Form DLG 57 Line 3) attributed to the activities/improvements within the plan area. The DDA or URA receives the differential revenue of each overlapping *taxing entity's* mill levy applied against the *taxing entity's* gross assessed value after subtracting the *taxing entity's* revenues derived from its mill levy applied against the net assessed value.

^G **NET Assessed Value**—The total taxable assessed valuation from which the *taxing entity* will derive revenues for its uses. It is found on Line 4 of Form DLG 57.

^H **General Operating Expenses (DLG 70 Page 1 Line 1)**—The levy and accompanying revenue reported on Line 1 is for general operations and includes, in aggregate, all levies for and revenues raised by a *taxing entity* for purposes not lawfully exempted and detailed in Lines 3 through 7 on Page 1 of the DLG 70. For example: a fire pension levy is included in general operating expenses, unless the pension is voter-approved, if voter-approved, use Line 7 (Other).

^I Temporary Tax Credit for Operations (DLG 70 Page 1 Line 2)—The Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction of 39-1-111.5, C.R.S. may be applied to the *taxing entity*'s levy for general operations to effect refunds. Temporary Tax Credits (TTCs) are not necessary for other types of levies (non-general operations) certified on this form because these levies are adjusted from year to year as specified by the provisions of any contract or schedule of payments established for the payment of any obligation incurred by the *taxing entity* per 29-1-301(1.7), C.R.S., or they are certified as authorized at election per 29-1-302(2)(b), C.R.S.

^J General Obligation Bonds and Interest (DLG 70 Page 1 Line 3)—Enter on this line the total levy required to pay the annual debt service of all general obligation bonds. Per 29-1-301(1.7) C.R.S., the amount of revenue levied for this purpose cannot be greater than the amount of revenue required for such purpose as specified by the provisions of any contract or schedule of payments. Title 32, Article 1 Special districts and subdistricts must complete Page 2 of the DLG 70.

^K Contractual Obligation (DLG 70 Page 1 Line 4)—If repayment of a contractual obligation with property tax has been approved at election and it is not a general obligation bond (shown on Line 3), the mill levy is entered on this line. Per 29-1-301(1.7) C.R.S., the amount of revenue levied for this purpose cannot be greater than the amount of revenue required for such purpose as specified by the provisions of any contract or schedule of payments.

^L Capital Expenditures (DLG 70 Page 1 Line 5)—These revenues are not subject to the statutory property tax revenue limit if they are approved by counties and municipalities through public hearings pursuant to 29-1-301(1.2) C.R.S. and for special districts through approval from the Division of Local Government pursuant to 29-1-302(1.5) C.R.S. or for any *taxing entity* if approved at election. Only levies approved by these methods should be entered on Line 5.

^M Refunds/Abatements (DLG 70 Page 1 Line 6)—The county assessor reports on the Certification of Valuation (DLG 57 Line 11) the amount of revenue from property tax that the local government did not receive in the prior year because taxpayers were given refunds for taxes they had paid or they were given abatements for taxes originally charged to them due to errors made in their property valuation. The local government was due the tax revenue and would have collected it through an adjusted mill levy if the valuation errors had not occurred. Since the government was due the revenue, it may levy, in the subsequent year, a mill to collect the refund/abatement revenue. An abatement/refund mill levy may generate revenues up to, but not exceeding, the refund/abatement amount from Form DLG 57 Line 11.

1. Please Note: If the *taxing entity* is in more than one county, as with all levies, the abatement levy must be uniform throughout the entity's boundaries and certified the same to each county. To calculate the abatement/refund levy for a *taxing entity* that is located in more than one county, first total the abatement/refund amounts reported by each county assessor, then divide by the *taxing entity*'s total net assessed value, then multiply by 1,000 and round down to the nearest three decimals to prevent levying for more revenue than was abated/refunded. This results in an abatement/refund mill levy that will be uniformly certified to all of the counties in which the *taxing entity* is located even though the abatement/refund did not occur in all the counties.

^N Other (DLG 70 Page 1 Line 7)—Report other levies and revenue not subject to 29-1-301 C.R.S. that were not reported above. For example: a levy for the purposes of television relay or translator facilities as specified in sections 29-7-101, 29-7-102, and 29-7-105 and 32-1-1005 (1) (a), C.R.S.; a voter-approved fire pension levy; a levy for special purposes such as developmental disabilities, open space, etc.