

WESTERLY METROPOLITAN DISTRICT NO. 4

FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

Westerly Metro District No. 4
Balance Sheet - Governmental Funds
September 30, 2023

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Assets				
CSAFE	\$ 271.00	\$ 1,522.38	\$ -	\$ 1,793.38
UMB Bond Fund 2021	-	1,236,233.37	-	1,236,233.37
UMB Surplus Fund 2021	-	3,536,646.89	-	3,536,646.89
UMB Project Fund 2021B	-	-	5,151,640.54	5,151,640.54
Due From Other Districts - WMD1	-	114,532.00	-	114,532.00
Due From Other Districts - WMD2	-	19,465.84	-	19,465.84
Due From Other Districts - WMD3	-	2,865.05	-	2,865.05
Receivable from County Treasurer	0.95	5.34	-	6.29
Total Assets	<u>\$ 271.95</u>	<u>\$ 4,911,270.87</u>	<u>\$ 5,151,640.54</u>	<u>\$ 10,063,183.36</u>
Liabilities				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Districts - WMD1	271.95	-	1,584,468.99	1,584,740.94
Total Liabilities	<u>271.95</u>	<u>-</u>	<u>1,584,468.99</u>	<u>1,584,740.94</u>
Fund Balances	<u>-</u>	<u>4,911,270.87</u>	<u>3,567,171.55</u>	<u>8,478,442.42</u>
Liabilities and Fund Balances	<u>\$ 271.95</u>	<u>\$ 4,911,270.87</u>	<u>\$ 5,151,640.54</u>	<u>\$ 10,063,183.36</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

Westerly Metro District No. 4
General Fund Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
For the Period Ending September 30, 2023

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Property taxes	\$ 253.00	\$ 254.82	\$ (1.82)
Specific ownership taxes	15.00	6.45	8.55
Interest income	-	5.52	(5.52)
Total Revenue	<u>268.00</u>	<u>266.79</u>	<u>1.21</u>
Expenditures			
County Treasurer's fee	4.00	3.88	0.12
Transfers to other districts	-	262.91	(262.91)
Transfers to Other Districts - WMD1	264.00	-	264.00
Total Expenditures	<u>268.00</u>	<u>266.79</u>	<u>1.21</u>
Fund Balance - Beginning	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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SUPPLEMENTARY INFORMATION

Westerly Metro District No. 4
Debt Service Fund Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
For the Period Ending September 30, 2023

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Property taxes	\$ 1,393.00	\$ 1,402.57	\$ (9.57)
Specific ownership taxes	84.00	36.08	47.92
Interest income	6,934.00	181,644.86	(174,710.86)
Transfers from other districts - WDM 1	226.00	114,145.18	(113,919.18)
Transfers from other districts - WDM 2	19,188.00	15,002.84	4,185.16
Transfers from other districts - WMD 3	904.00	631.70	272.30
Total Revenue	<u>28,729.00</u>	<u>312,863.23</u>	<u>(284,134.23)</u>
Expenditures			
County Treasurer's fee	21.00	21.34	(0.34)
Banking fees	500.00	-	500.00
Paying agent fees	9,000.00	8,000.00	1,000.00
Bond Interest - Series 2021 A1	1,551,369.00	775,684.37	775,684.63
Total Expenditures	<u>1,560,890.00</u>	<u>783,705.71</u>	<u>777,184.29</u>
Net Change in Fund Balances	(1,532,161.00)	(470,842.48)	(1,061,318.52)
Fund Balance - Beginning	5,374,037.00	5,382,113.35	(8,076.35)
Fund Balance - Ending	<u>\$ 3,841,876.00</u>	<u>\$ 4,911,270.87</u>	<u>\$ (1,069,394.87)</u>

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Westerly Metro District No. 4
Capital Projects Fund Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
For the Period Ending September 30, 2023

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Interest income	\$ 15,225.00	\$ 337,338.63	\$ (322,113.63)
Total Revenue	<u>15,225.00</u>	<u>337,338.63</u>	<u>(322,113.63)</u>
Expenditures			
Banking fees	2,500.00	-	2,500.00
Transfers to other districts	10,773,476.00	7,740,938.63	3,032,537.37
Total Expenditures	<u>10,775,976.00</u>	<u>7,740,938.63</u>	<u>3,035,037.37</u>
Net Change in Fund Balances	(10,760,751.00)	(7,403,600.00)	(3,357,151.00)
Fund Balance - Beginning	10,760,751.00	10,970,771.55	(210,020.55)
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 3,567,171.55</u>	<u>\$ (3,567,171.55)</u>

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WESTERLY METRO DISTRICT NO. 4
Schedule of Cash Position
September 30, 2023
Updated as of October 30, 2023

	General Fund	Debt Service Fund	Capital Projects Fund	Total
<u>CSAFE Account - WESTERLY NO. 4</u>				
Balance as of 09/30/23	\$ 271.00	\$ 1,522.38	\$ -	\$ 1,793.38
Subsequent activities:				
10/10/2023 - September Ptax	0.95	5.34	-	6.29
<i>Anticipated balance</i>	<u>271.95</u>	<u>1,527.72</u>	<u>-</u>	<u>1,799.67</u>
<u>Trust Accounts - WESTERLY NO. 4</u>				
<u>UMB Bank - 2021A Project Fund</u>				
Balance as of 09/30/23	-	-	-	-
Subsequent activities:				
<i>Anticipated Activity</i>	-	-	-	-
<i>Anticipated balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>UMB Bank - 2021B Sub Project Fund</u>				
Balance as of 09/30/23	-	-	5,151,640.54	5,151,640.54
Subsequent activities:				
10/03/2023 - Req 63 (Erie)	-	-	(349,156.48)	(349,156.48)
10/12/2023 - Req 64	-	-	(814,751.55)	(814,751.55)
10/26/2023 - Req 65	-	-	(382,640.00)	(382,640.00)
10/27/2023 - Req 66 (Erie)	-	-	(57,479.10)	(57,479.10)
<i>Anticipated Activity</i>				
<i>Anticipated balance</i>	<u>-</u>	<u>-</u>	<u>3,547,613.41</u>	<u>3,547,613.41</u>
<u>UMB Bank - 2021A Bond Fund</u>				
Balance as of 09/30/23	-	1,236,233.37	-	1,236,233.37
Subsequent activities:				
<i>Anticipated Activity</i>				
<i>Anticipated balance</i>	<u>-</u>	<u>1,236,233.37</u>	<u>-</u>	<u>1,236,233.37</u>
<u>UMB Bank - 2021A Surplus Fund</u>				
Balance as of 09/30/23	-	3,536,646.89	-	3,536,646.89
Subsequent activities:				
<i>Anticipated Activity</i>				-
<i>Anticipated balance</i>	<u>-</u>	<u>3,536,646.89</u>	<u>-</u>	<u>3,536,646.89</u>
<i>Anticipated balances</i>	<u>\$ 271.95</u>	<u>\$ 4,774,407.98</u>	<u>\$ 3,547,613.41</u>	<u>\$ 8,322,293.34</u>

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**WESTERLY METRO DISTRICT NO. 4
SERIES 2021 B PROJECT FUND SUMMARY**

Description	Payee	Date	Amount
2021B Project Fund Initial Deposit			8,221,720.00
Net Investment income for 2021			1,608.98
Balance at 12/31/21			8,223,328.98
Net Investment income for 2022			133,274.54
Balance at 12/31/22			8,356,603.52
Net Investment income for 2023		Through March	92,070.55
Balance at 03/31/2023			8,448,674.07
Transfer to 2021A		6/28/2023	(138,190.02)
Net Investment income for 2023		Through June	101,681.91
Balance at 06/30/2023			8,412,165.96
Requisition 55			(266,125.04)
Requisition 56			(131,791.73)
Requisition 57			(168,061.65)
Requisition 58	Erie Land Company LLC		(368,228.84)
Requisition 59			(1,709,380.54)
Requisition 60	Erie Land Company LLC		(44,402.37)
Requisition 61			(582,640.42)
Requisition 62			(77,739.41)
Net Investment income for 2023			87,844.58
Balance at 9/30/2023			5,151,640.54
Requisition 63	Erie Land Company LLC	10/3/2023	(349,156.48)
Requisition 64		10/12/2023	(814,751.55)
Requisition 65		10/26/2023	(382,640.00)
Requisition 66	Erie Land Company LLC	10/27/2023	(57,479.10)
		YTD as of 10/27/2023	3,547,613.41

**WESTERLY METRO DISTRICT NO. 4
SERIES 2021 A PROJECT FUND SUMMARY**

Description	Payee	Date	Amount
2021A Project Fund Initial Deposit			28,216,965.33
Requisition 1	Erie Land Company LLC	3/12/2021	(1,394,380.27)
Requisition 2	Erie Land Company LLC	4/14/2021	(35,000.00)
Requisition 3	Erie Land Company LLC	5/14/2021	(424,694.28)
Balance transfer from COI		5/26/2021	25,510.40
Requisition 4	Erie Land Company LLC	6/11/2021	(98,209.94)
Requisition 5	Westerly District 4	7/20/2021	(256,411.12)
Requisition 6	Erie Land Company LLC	7/21/2021	(528,867.21)
Requisition 7	Westerly District 4	7/22/2021	(71,459.73)
Requisition 8	Erie Land Company LLC	8/17/2021	(250,849.00)
Requisition 9	Westerly District 4	8/17/2021	(613,328.01)
Requisition 10	Erie Land Company LLC	10/12/2021	(340,019.98)
Requisition 11	Westerly District 4	10/28/2021	(1,239,737.26)
Requisition 12	Erie Land Company LLC	11/2/2021	(289,417.06)
Requisition 13	Westerly District 4	11/2/2021	(629,636.43)
Requisition 14	Erie Land Company LLC	12/7/2021	(124,657.86)
Requisition 15	Westerly District 4	12/7/2021	(1,191,048.61)
Net Investment income for 2021			5,174.71
Balance at 12/31/21			20,759,933.68
Requisition 16	Erie Land Company LLC	1/10/2022	(186,186.47)
Requisition 17	Westerly District 4	1/10/2022	(1,115,947.38)
Requisition 18	Erie Land Company LLC	2/11/2022	(447,791.12)
Requisition 19	Westerly District 4	2/11/2022	(682,663.89)
Requisition 20	Erie Land Company LLC	4/1/2022	(134,531.87)
Requisition 21	Erie Land Company LLC	4/1/2022	(188,456.82)
Requisition 22	Westerly District 4	3/29/2022	(98,366.50)
Requisition 23	Westerly District 4	3/29/2022	(1,123,449.57)
Requisition 24	Westerly District 4	3/29/2022	(61,010.10)
Requisition 25	Westerly District 4	4/6/2022	(877,416.85)
Requisition 26	Erie Land Company LLC	4/8/2022	(148,604.85)
Requisition 27	Westerly District 4	5/2/2022	(2,672,023.77)
Requisition 28	Erie Land Company LLC	5/11/2022	(63,923.00)
Requisition 29	Westerly District 4	5/31/2022	(84,873.34)
Requisition 30	Westerly District 4	6/28/2022	(1,703,167.60)
Requisition 31	Erie Land Company LLC	6/17/2022	(99,527.35)
Requisition 32	Westerly District 4	8/16/2022	(774,904.17)
Requisition 33	Erie Land Company LLC	7/13/2022	(31,758.61)
Requisition 34	Westerly District 4	8/16/2022	(756,791.41)
Requisition 35	Erie Land Company LLC	8/17/2022	(185,914.90)
Requisition 36	Westerly District 4	9/6/2022	(1,717,617.77)
Requisition 37	Westerly District 4	10/31/2022	(2,573,114.53)
Requisition 38	Erie Land Company LLC	9/16/2022	(126,258.32)
Requisition 39	Erie Land Company LLC	10/17/2022	(142,455.24)
Requisition 40	Westerly District 4	12/6/2022	(573,952.62)
Requisition 41	Erie Land Company LLC	11/28/2022	(54,930.26)
Net Investment income for 2022			130,865.26
Balance at 12/31/22			4,265,160.63
Requisition 42	Westerly District 4	1/26/2023	(563,232.53)
Requisition 43	Erie Land Company LLC	1/6/2023	(290,804.62)
Requisition 44	Westerly District 4	4/5/2023	(158,912.05)
Requisition 45	Erie Land Company LLC	4/6/2023	(102,573.22)
Requisition 46	Erie Land Company LLC	4/6/2023	(52,821.11)
Requisition 47	Erie Land Company LLC	4/6/2023	(373,197.73)
Requisition 48	Westerly District 4	4/6/2023	(1,072,222.39)
Net Investment income for 2023	Through March		39,432.92
Balance at 3/31/2023			1,690,829.90
Requisition 49	Westerly District 4	5/13/2023	(468,885.68)
Requisition 50	Erie Land Company LLC	6/2/2023	(564,927.79)
Requisition 51	Westerly District 4	6/12/2023	(319,668.02)
Requisition 52	Westerly District 4	6/23/2023	(351,919.00)
Requisition 53	Westerly District 4	6/24/2023	(121,250.14)
Requisition 54	Erie Land Company LLC	6/25/2023	(18,678.01)
Transfer from 2021B	Westerly District 4	6/28/2023	138,190.02
Net Investment income Q2	Through June	6/28/2023	1,737.38
6/30/2023			-

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**Westerly Metropolitan District No. 4
Property Taxes Reconciliation
2023**

	Current Year								Prior Year			
	Property Taxes	Delinquent Taxes, Rebates and Abatements	Specific Ownership Taxes	Interest	Treasurer's Fees	Due To County	Net Amount Received	% of Total Property Taxes Received		Total Cash Received	% of Total Property Taxes Received	
								Monthly	Y-T-D		Monthly	Y-T-D
Beg Balance												
January	\$ -	\$ -	\$ 5.67	\$ -	\$ -	\$ -	\$ 5.67	0.00%	0.00%	\$ 0.13	0.00%	0.00%
February	-	-	5.14	-	-	-	5.14	0.00%	0.00%	0.12	0.00%	0.00%
March	-	-	6.18	-	-	-	6.18	0.00%	0.00%	25.41	98.69%	98.69%
April	-	-	5.27	-	-	-	5.27	0.00%	0.00%	0.10	0.00%	98.69%
May	-	-	5.78	-	-	-	5.78	0.00%	0.00%	0.12	0.00%	98.69%
June	1,646.47	-	6.09	34.58	(25.22)	-	1,661.92	100.03%	100.03%	0.12	0.00%	98.69%
July	-	-	5.86	-	-	-	5.86	0.00%	100.03%	0.12	0.00%	98.69%
August	-	-	7.06	-	-	-	7.06	0.00%	100.03%	0.14	0.00%	98.69%
September	-	-	6.29	-	-	-	6.29	0.00%	100.03%	0.14	0.00%	98.69%
October	-	-	-	-	-	-	-	0.00%	100.03%	0.13	0.00%	98.69%
November	-	-	-	-	-	-	-	0.00%	100.03%	0.13	0.00%	98.69%
December	-	-	-	-	-	-	-	0.00%	100.03%	0.11	0.00%	98.69%
	\$ 1,646.47	\$ -	\$ 53.34	\$ 34.58	\$ (25.22)	\$ -	\$ 1,709.17	100.03%	100.03%	\$ 26.77	98.69%	98.69%

Taxes Levied	% of Levied	Property Taxes Collected	% Collected to Amount Levied
\$ 253	15.37%	\$ 253.07	100.03%
1,393	84.63%	1,393.40	100.03%
\$ 1,646	100.00%	\$ 1,646.47	100.03%

Assessed Value	Mill Levy
	10.000
	55.000
\$ 25,330	65.000

Specific Ownership Tax

\$ 15	15.15%	\$ 8.08	53.87%
84	84.85%	45.26	53.88%
\$ 99	100.00%	\$ 53.34	53.88%

Treasurer's Fees

\$ 4	16.00%	\$ 4.04	101.00%
21	84.00%	21.18	100.86%
\$ 25	100.00%	\$ 25.22	100.88%

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**WESTERLY METROPOLITAN DISTRICT NO. 4
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

SERVICES PROVIDED

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the Weld County District Court on June 24, 2020, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the Town of Erie.

The District was established to provide financing for the design, acquisition, installation, construction and completion of public improvements and services, including water, sanitation, street, safety protection, park and recreation, transportation, television relay and translation and mosquito control improvements and services.

Westerly Metro Districts Nos. 1-4 are expected to work together to provide for the acquisition, construction, and financing of the public improvements for the Development where District No. 1 acts as the operating district and provides for the construction or acquisition of the infrastructure, District No. 4 issues the debt and Districts No. 2 and 3 act as financing districts that levy taxes and support Districts 1 and 4.

The District has no employees and all administrative functions are contracted.

REVENUES

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The District's maximum Required Mill Levy is 55.000 mills, adjusted for changes in the ratio of actual value to assessed value of property within the District. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in a amount sufficient to pay the principal, premium if any, and interest on the Bonds as the same become due and payable [and to make up any deficiencies in the Reserve Fund]. As of December 31, 2022, the adjusted maximum mill levy for debt service is 55.000 mills.

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

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**WESTERLY METROPOLITAN DISTRICT NO. 4
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 6% of the property taxes collected.

Developer Advance

The District is in the development stage. As such, the operating and administrative expenditures will be mainly funded by the Developer. A portion of the capital expenditures are also expected to be funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bond proceeds and other legally available revenue.

EXPENDITURES

Administrative and Operating Expenditures

Operating and administrative expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance and meeting expense. Estimated expenditures related to street repairs and maintenance, street lights, street sweeping, landscaping, mowing, parks and open space maintenance, utilities and snow removal were also included the General Fund budget.

County Treasurer's Fees

County Treasurer's fees have been computed at 1.5% of property tax collections.

Capital Outlay

The District anticipates infrastructure improvements as noted in the Capital Projects fund.

Emergency Reserve

The District has provided for an emergency reserve fund equal to at least 3% of fiscal year spending as defined under TABOR.

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WESTERLY METROPOLITAN DISTRICT NO. 4
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases

Bond Proceeds

The District issued the General Obligation Limited Tax Bonds on February 19, 2021, in the par amounts of: \$31,345,000 for the 2021A-1 Senior Bonds, \$5,001,197.60 (value at issuance) and \$6,730,000 (value at conversion date) for the 2021A-2 Senior Bonds, and \$8,476,000 for the Subordinate Bonds.

Proceeds from the sale of the Senior Bonds will be used to: (i) finance or reimburse the costs of public improvements related to a residential and commercial development in the Town; (ii) pay capitalized interest on the 2021A-1 Senior Bonds; (iii) fund an initial deposit to the Senior Surplus Fund; and (iv) pay the costs of issuance of the Bonds. Proceeds of the Subordinate Bonds will be used to finance additional public improvements related to the Development.

Details of the 2021A-1 Senior Bonds

The 2021A-1 Senior Bonds are expected to bear interest at rates ranging from 4.125% to 5.000% per annum and are payable semiannually on June 1 and December 1, beginning on December 1, 2021. The 2021A-1 Senior Bonds have a final maturity on December 1, 2050. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2028.

To the extent principal of any 2021A-1 Senior Bond is not paid when due, such principal shall remain outstanding until the earlier of its payment or the Senior Bonds Termination Date of December 2, 2060, and shall continue to bear interest at the rate then borne by the 2021A-1 Senior Bond. To the extent interest on any 2021A-1 Senior Bond is not paid when due, such interest shall compound semiannually on each interest payment date (June 1 and December 1) at the rate borne by the 2021A-1 Senior Bond. If any amount of principal or interest due on the 2021A-1 Senior Bonds remains unpaid on the Senior Bonds Termination Date, such unpaid amount will be deemed discharged.

The 2021A-2 Senior Bonds will be issued as capital appreciation bonds that automatically convert to current interest bonds on December 1, 2026. Prior to conversion to current interest bonds, the 2021A-2 Senior Bonds do not pay current interest; instead they accrete in value at an annual yield equal to 5.200%. The accreted amount compounds semiannually on each interest payment date (June 1 and December 1), beginning June 1, 2021, to and including December 1, 2026. Such accreted amount, together with the original principal amount of the 2021A-2 Senior Bonds, bears interest at the interest rate borne by the 2021A-2 Senior Bonds upon conversion to current interest bonds.

The accreted principal balance at conversion on December 1, 2026, will be \$6,730,000. Upon conversion to current interest bonds, the 2021A-2 Senior Bonds will bear interest at a rate of 5.200%, payable semiannually on June 1 and December 1, commencing on June 1, 2027. Annual principal payments are due on December 1 of each year beginning December 1, 2028. The 2021A-2 Senior Bonds mature on December 1, 2050.

On and after conversion to current interest bonds, to the extent principal of any 2021A-2 Senior Bond is not paid when due, such principal shall remain outstanding until the earlier of its payment or the Senior Bonds Termination Date of December 2, 2060, and shall continue to bear interest at the rate then borne by the 2021A-2 Senior Bond. To the extent interest on any 2021A-2 Senior Bond is not paid when due, such unpaid interest shall compound semiannually on each interest payment date (June 1 and December 1) at the rate borne by the 2021A-2 Senior Bond. If any amount of principal or interest due on the 2021A-2 Senior Bonds remains unpaid after the application of all Senior Pledged Revenue available on the Senior Bonds Termination Date, such unpaid amount will be deemed discharged.

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WESTERLY METROPOLITAN DISTRICT NO. 4
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases (Continued)

Details of the 2021A-1 Senior Bonds (Continued)

Security for the Senior Bonds

The Senior Bonds are payable solely from and to the extent of Senior Pledged Revenue defined generally as the following, net of any costs of collection:

- (a) the Senior Required Mill Levy; including, without limitation, the ad valorem property tax revenue derived from imposition of the Senior Required Mill Levy in tax levy year 2022 (for tax collection year 2023);
- (b) the Pledge Agreement Revenues;
- (c) the Capital Fees;
- (d) the portion of the Senior Specific Ownership Tax which is collected as a result of imposition of the Senior Required Mill Levy; and
- (e) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Senior Pledged Revenue.

“Pledge Agreement Revenues” means the moneys derived from the Pledge Districts Capital Revenue.

“Capital Fees” means all fees, rates, tolls, penalties, and charges of a capital nature (excluding periodic, recurring service charges) imposed by the District for services, programs, or facilities furnished by the District, whether now in effect or imposed in the future, and include the Capital Facilities Fee.

Senior Required Mill Levy

The District has covenanted to impose a Senior Required Mill Levy upon all taxable property in the District each year in an amount sufficient to pay the Senior Bonds when due, but (i) not in excess of 55 mills (subject to adjustment for changes in the method of calculating assessed valuation on or after January 1, 2017), and (ii) for so long as the Senior Surplus Fund is less than the Maximum Surplus Amount, not less than 55 mills (subject to adjustment), or such lesser mill levy which will pay the Senior Bonds when due and will fund the Senior Surplus Fund up to the Maximum Surplus Amount

Additional Security for the Senior Bonds

The 2021A-1 Senior Bonds are further secured by capitalized interest which will be funded from proceeds of the 2021A-1 Senior Bonds in the amount of \$4,654,106 and by amounts in the Senior Surplus Fund (if any).

Except for an initial deposit of \$3,294,000 from proceeds of the Senior Bonds, the Senior Surplus Fund will be funded from deposits of annual Senior Pledged Revenue in excess of that needed to pay annual debt service (if any) up to the Maximum Surplus Amount of \$7,269,240. The Senior Surplus Fund shall be maintained for so long as any Senior Bonds are outstanding.

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WESTERLY METROPOLITAN DISTRICT NO. 4
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases (Continued)

Details of the 2021A-1 Senior Bonds (Continued)

Except to the extent Senior Pledged Revenue is available, the District has no obligation to fund the Senior Surplus Fund after issuance of the Senior Bonds in any amount.

The forecast anticipates that the Senior Surplus Fund will be drawn upon in 2024 and 2025 to meet annual debt service requirements of the Senior Bonds. The District acknowledges that the law places certain restrictions on the use of bond proceeds and debt service mill levies.

Optional Redemption for the Bonds

The Senior Bonds and the Subordinate Bonds are subject to redemption prior to maturity, at the option of the District, on March 1, 2026, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
March 1, 2026, to February 28, 2027	3.00%
March 1, 2027, to February 29, 2028	2.00
March 1, 2028, to February 28, 2029	1.00
March 1, 2029, and thereafter	0.00

Details of the Subordinate Bonds

The Subordinate Bonds are expected to bear interest at the rate of 8.000% per annum and are payable annually on December 15, beginning December 15, 2021 from, and to the extent of, Subordinate Pledged Revenue available, if any, and mature on December 15, 2050. The Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Unpaid interest on the Subordinate Bonds compounds annually on each December 15.

If any amount of principal or interest on the Subordinate Bonds remains unpaid after the application of all Subordinate Pledged Revenue available on the Subordinate Bonds Termination Date of December 16, 2060, such unpaid amount will be deemed discharged.

Security for the Subordinate Bonds

Subordinate Pledged Revenue means the money derived by the District from the following sources, net of any costs of collection:

- (a) the Subordinate Required Mill Levy; including, without limitation, the ad valorem property tax revenue derived from imposition of the Subordinate Required Mill Levy in tax levy year 2022 (for tax collection year 2023);
- (b) the Subordinate Pledge Agreement Revenues;
- (c) the Subordinate Capital Fee Revenue, if any;

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**WESTERLY METROPOLITAN DISTRICT NO. 4
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (Continued)

Details of the 2021A-1 Senior Bonds (Continued)

Security for the Subordinate Bonds (Continued)

(d) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Subordinate Required Mill Levy; and

(e) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Subordinate Pledged Revenue.

“*Subordinate Pledged Agreement Revenues*” means any revenue from Pledge Agreement Revenues remaining after deduction of any amount applied to the payment of any Senior Bonds.

“*Subordinate Capital Fee Revenue*” means any revenue from Capital Fees remaining after deduction of any amount applied to the payment of any Senior Bonds.

Subordinate Required Mill Levy

Pursuant to the Subordinate Indenture, the District has covenanted to impose a Subordinate Required Mill Levy upon all taxable property in the District each year in the amount of 55 mills (subject to adjustment for changes in the method of calculating assessed valuation on or after January 1, 2017) less the amount of the Senior Bond Mill Levy, or such lesser mill levy which is sufficient to pay all of the principal and interest of the Subordinate Bonds in full. Senior Bond Mill Levy means the mill levy required to be used to repay any Senior Bonds. If the amount of the Senior Bond Mill Levy equals or exceeds 55 mills (subject to adjustment) in any year, the Subordinate Required Mill Levy for that year shall be zero.

The following is an analysis of changes in the District’s long-term obligations for the year ended December 31, 2021:

	Balance - December 31, 2020	Additions	Reductions	Balance - December 31, 2021	Due Within One Year
Governmental Activities:					
Other Debts:					
Developer Advances:					
Operational	\$ -	\$ 60,492	\$ -	\$ 60,492	\$ -
Capital	-	3,486,096	3,486,096	-	-
Accrued interest on					
Developer Advances:					
Operational	-	2,591	-	2,591	-
Total	<u>\$ -</u>	<u>\$ 3,549,179</u>	<u>\$ 3,486,096</u>	<u>\$ 63,083</u>	<u>\$ -</u>

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WESTERLY METROPOLITAN DISTRICT NO. 4

FORECASTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS

GENERAL AND DEBT SERVICE FUNDS ONLY

SCHEDULE OF ESTIMATED 2021A-2 SENIOR BONDS DEBT SERVICE REQUIREMENTS

FOR THE CALENDAR YEARS ENDING 2021 THROUGH 2056

Series 2021A-2 Bond Issue Convertible Capital Appreciation Bonds Dated: February 19, 2021 \$5,001,197.60 Issued: February 19, 2021 Principal payments due on December 1 Interest Rate: 5.20% Conversion Date: 12/1/2026									
Year	Issue Amount	Accreted Amount	Total Value at Maturity	Interest Rate from Conversion Date	Current Interest after Conversion Date	Total Bonds Debt Service	2021A-2 Bonds Debt Service	Bond Principal Outstanding After Conversion	Year
							(To Page 5)		
2021	-	-	-		-	-	-	-	2021
2022	-	-	-		-	-	-	-	2022
2023	-	-	-		-	-	-	-	2023
2024	-	-	-		-	-	-	-	2024
2025	-	-	-		-	-	-	-	2025
2026	-	-	-		-	-	-	6,730,000	2026
2027	-	-	-	5.20%	349,960	349,960	349,960	6,730,000	2027
2028	26,009.20	8,990.80	35,000.00	5.20%	349,960	384,960	384,960	6,695,000	2028
2029	63,165.20	21,834.80	85,000.00	5.20%	348,140	433,140	433,140	6,610,000	2029
2030	89,174.40	30,825.60	120,000.00	5.20%	343,720	463,720	463,720	6,490,000	2030
2031	100,321.20	34,678.80	135,000.00	5.20%	337,480	472,480	472,480	6,355,000	2031
2032	115,183.60	39,816.40	155,000.00	5.20%	330,460	485,460	485,460	6,200,000	2032
2033	118,899.20	41,100.80	160,000.00	5.20%	322,400	482,400	482,400	6,040,000	2033
2034	133,761.60	46,238.40	180,000.00	5.20%	314,080	494,080	494,080	5,860,000	2034
2035	141,192.80	48,807.20	190,000.00	5.20%	304,720	494,720	494,720	5,670,000	2035
2036	152,339.60	52,660.40	205,000.00	5.20%	294,840	499,840	499,840	5,465,000	2036
2037	163,486.40	56,513.60	220,000.00	5.20%	284,180	504,180	504,180	5,245,000	2037
2038	178,348.80	61,651.20	240,000.00	5.20%	272,740	512,740	512,740	5,005,000	2038
2039	185,780.00	64,220.00	250,000.00	5.20%	260,260	510,260	510,260	4,755,000	2039
2040	204,358.00	70,642.00	275,000.00	5.20%	247,260	522,260	522,260	4,480,000	2040
2041	215,504.80	74,495.20	290,000.00	5.20%	232,960	522,960	522,960	4,190,000	2041
2042	234,082.80	80,917.20	315,000.00	5.20%	217,880	532,880	532,880	3,875,000	2042
2043	248,945.20	86,054.80	335,000.00	5.20%	201,500	536,500	536,500	3,540,000	2043
2044	267,523.20	92,476.80	360,000.00	5.20%	184,080	544,080	544,080	3,180,000	2044
2045	282,385.60	97,614.40	380,000.00	5.20%	165,360	545,360	545,360	2,800,000	2045
2046	300,963.60	104,036.40	405,000.00	5.20%	145,600	550,600	550,600	2,395,000	2046
2047	319,541.60	110,458.40	430,000.00	5.20%	124,540	554,540	554,540	1,965,000	2047
2048	341,835.20	118,164.80	460,000.00	5.20%	102,180	562,180	562,180	1,505,000	2048
2049	360,413.20	124,586.80	485,000.00	5.20%	78,260	563,260	563,260	1,020,000	2049
2050	757,982.40	262,017.60	1,020,000.00	5.20%	53,040	1,073,040	1,073,040	-	2050
2051							-	-	2051
2052							-	-	2052
2053							-	-	2053
2054							-	-	2054
2055							-	-	2055
2056							-	-	2056
	5,001,197.60	1,728,802.40	6,730,000.00		5,865,600	12,595,600	12,595,600		

USE OF PROCEEDS:	
Project Fund	\$4,401,173.65
Deposit to Surplus Fund	500,000.00
Underwriter's Discount	100,023.95
	<u>\$5,001,197.60</u>

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