

MOSAIC DISTRICT CDA – FAIRFAX COUNTY

CDA DISTRICT SUMMARY
ASSESSMENT YEAR
2022-2023



SUMMARY OF REFUNDING

- The Series 2020 Bonds were issued in the amount of \$55,650,000 on December 3, 2020.
- The Series 2020 Refunding Bonds received an A2 rating.
- The Series 2011 Bonds in the amount of \$62,155,000 were paid in full on March 1, 2021.

Refunding Results:

- Net Present Value savings - \$24,198,699
- Excess surplus fund release - \$2,101,382

FUND BALANCES¹

The table below provides a summary of the account activity and the fund balances as of January 31, 2022.

Fund/Account	Balance 3/1/2021	Disburse- ments	Additional Proceeds ³	Transfers	Investment Income	Balance 1/31/22
Interest Account	\$12	\$1,415,986	\$0	\$1,415,987	\$0	\$13
Principal Account	\$0	\$0	\$0	\$0	\$0	\$0
Administrative Expense Fund	\$0	\$47,968	\$0	\$47,968	\$0	\$0
Revenue Fund	\$312,790	\$0	\$2,441,012	(\$1,463,954)	\$75	\$1,289,923
Delinquent Payments Fund	\$0	\$0	\$0	\$0	\$0	\$0
Rebate Account	\$0	\$0	\$0	\$0	\$0	\$0
Surplus Account	\$4,543,712	\$2,101,382	\$0	\$0	\$277	\$2,442,607
Debt Service Reserve Fund	\$4,885,026	\$0	\$0	\$0	\$452	\$4,885,478
2020 Bond Fund	\$0	\$0	\$0	\$0	\$0	\$0
2020A Net Proceeds Account	\$0	\$0	\$0	\$0	\$0	\$0
2020A Project Fund	\$35,089	\$150	\$0	\$0	\$3	\$34,942
2020A Redemption Account	\$0	\$0	\$0	\$0	\$0	\$0
2020A Taxable Bond Project Account	\$1	\$0	\$0	\$0	\$0	\$1
2020A Tax Exempt Bond Project Account	\$0	\$0	\$0	\$0	\$0	\$0
2020A Optional Redemption Subaccount	\$0	\$0	\$0	\$0	\$0	\$0
2020A Prepayment Subaccount	\$0	\$0	\$0	\$0	\$0	\$0
2011A Escrow Fund ²	\$45,894,468	\$45,903,319	\$0	(\$1)	\$8,852	\$0
2011A-T Escrow Fund ²	\$18,408,981	\$18,408,981	\$0	\$0	\$0	\$0
Total	\$74,080,079	\$67,877,786	\$2,441,012	\$0	\$9,658	\$8,652,964

¹The calculations are shown rounded to the dollar.

²The Trustee reports that this fund has been closed.

³Additional proceeds to the Revenue Fund represent the receipt of County Advanced Revenues (tax increment revenues), which were appropriated by the Board of Supervisors and paid to the Trustee at the request of the CDA in accordance with the Amended and Restated Memorandum of Understanding.

ESTIMATED REAL PROPERTY TAX INCREMENT REVENUES¹

The table below shows the estimated Tax Increment Revenues (County Advanced Revenues) for the 2022-2023 Assessment Year.

2022 aggregate assessed value	\$685,983,330
Less: base year aggregate assessed value	\$38,271,740
<i>Subtotal incremental assessed value</i>	<i>\$647,711,590</i>
Estimated real property tax rate per \$100 of assessed value ²	\$1.14
Estimated Tax Increment Revenues for Assessment Year 2022-2023	\$7,383,912

¹The calculations are shown rounded to the dollar; however, the calculations are not rounded.

²The real property tax rate represents an estimate of the real property tax rate for tax year 2022. The above calculation will be updated to the extent needed once the tax year 2022 tax rate is finalized.

REVENUES AND EXPENSES – CDA ANNUAL BUDGET¹

The table below shows the estimated excess of revenues over CDA expenditures for the 2022-2023 Assessment Year.

Revenues:	
Estimated County Advanced Revenues	\$7,383,912
Available balance of the Surplus Fund as of January 31, 2022	\$0
Estimated annual Debt Service Reserve Fund investment income ²	\$488
Surplus from prior year ³	\$214,985
Total revenues	\$7,599,386
Expenditures:	
Debt service:	
Series 2020A Bonds:	
Interest payment due on September 1, 2022	\$724,300
Interest payment due on March 1, 2023	\$724,300
Principal payment due on March 1, 2023	\$1,980,000
<i>Subtotal Series 2020A Bonds debt service</i>	<i>\$3,428,600</i>
Series 2020A-T Bonds:	
Interest payment due on September 1, 2022	\$191,417
Interest payment due on March 1, 2023	\$191,417
Principal payment due on March 1, 2023	\$1,070,000
<i>Subtotal Series 2020A-T Bonds debt service</i>	<i>\$1,452,835</i>
<i>Total debt service</i>	<i>\$4,881,435</i>
Estimated administrative expenses	\$84,000
Contingency	\$99,309
Total expenditures	\$5,064,743
Excess of revenues over expenditures	\$2,534,643

¹The calculations are shown rounded to the dollar; however, the calculations are not rounded.

²Estimated investment income earned during the period of March 2, 2022 to March 1, 2023.

³Represents the available balance of the Revenue Fund following the payment of all remaining expenses for the 2021-2022 Assessment Year.

ANNUAL REVENUE REQUIREMENT PART A¹

The Annual Revenue Requirement Part A for the 2022-2023 Assessment Year is equal to \$0 as shown below.

Expenses:	
Debt service:	
Series 2020A Bonds:	
Interest payment due on September 1, 2022	\$724,300
Interest payment due on March 1, 2023	\$724,300
Principal payment due on March 1, 2023	\$1,980,000
<i>Subtotal Series 2020A Bonds debt service</i>	<i>\$3,428,600</i>
Series 2020A-T Bonds:	
Interest payment due on September 1, 2022	\$191,417
Interest payment due on March 1, 2023	\$191,417
Principal payment due on March 1, 2023	\$1,070,000
<i>Subtotal Series 2020A-T Bonds debt service</i>	<i>\$1,452,835</i>
<i>Total debt service</i>	<i>\$4,881,435</i>
Periodic costs associated with the Series 2020 Bonds	\$0
Estimated administrative expenses	\$84,000
Contingency	\$99,309
Total expenses	\$5,064,743
Available Funds:	
Estimated County Advanced Revenues	\$7,383,912
Available balance of the Surplus Fund	\$0
Estimated annual Debt Service Reserve Fund investment income ²	\$488
Surplus from prior year ³	\$214,985
Total available funds	\$7,599,386
Annual Revenue Requirement Part A	\$0

¹The calculations are shown rounded to the dollar; however, the calculations are not rounded.

²Estimated investment income earned during the period of March 2, 2022 to March 1, 2023.

³Represents the available balance of the Revenue Fund following the payment of all remaining expenses for the 2021-2022 Assessment Year.

SURPLUS FUND TRANSFERS

Surplus Fund: Required Deposits to the Surplus Fund¹

Refunding Bonds Debt Service:	
Series 2020A Bonds:	
Interest payment due on September 1, 2022	\$724,300
Interest payment due on March 1, 2023	\$724,300
Principal payment due on March 1, 2023	\$1,980,000
<i>Subtotal Series 2020A Bonds debt service</i>	<i>\$3,428,600</i>
Series 2020A-T Bonds:	
Interest payment due on September 1, 2022	\$191,417
Interest payment due on March 1, 2023	\$191,417
Principal payment due on March 1, 2023	\$1,070,000
<i>Subtotal Series 2020A-T Bonds debt service</i>	<i>\$1,452,835</i>
Total debt service	\$4,881,435
Available Funds:	
Balance of the Surplus Fund as of January 31, 2022	\$2,442,607
Estimated Tax Increment Revenues for Assessment Year 2022-2023	\$7,383,912
Total available funds	\$9,826,519
Surplus Fund Coverage Ratio	2.01x

¹The calculations are shown rounded to the dollar; however, the calculations are not rounded.

Recommendation: No deposit to the Surplus Fund is necessary as the available funds exceed 1.5 coverage ratio for the bond year ending 2023 debt service.

SURPLUS FUND TRANSFERS

Surplus Fund: Release of Excess Surplus Funds¹

Calculation A - 150% Coverage with County Advanced Revenues and Surplus Fund Balance:	
Available Funds:	
Balance of the Surplus Fund as of January 31, 2022	\$2,442,607
Estimated County Advanced Revenues for Assessment Year 2022-2023	\$7,383,912
<i>Total available funds</i>	<i>\$9,826,519</i>
Required Balance:	
Debt service due on the Series 2020 Bonds for Assessment Year 2022-2023	\$4,881,435
Coverage requirement	1.5x
<i>Required balance</i>	<i>\$7,322,152</i>
Surplus Fund release amount – Calculation A	\$2,504,367
Calculation B - 50% Coverage with Surplus Fund Balance:	
Balance of the Surplus Fund as of January 31, 2022	\$2,442,607
Required Balance:	
Maximum annual debt service on the Series 2020 Bonds	\$4,884,821
Portion of the maximum annual debt service required to be retained	50%
<i>Required balance</i>	<i>\$2,442,411</i>
Surplus Fund release amount - Calculation B	\$196
Surplus Fund release (lesser of Calculations A and B)	\$196

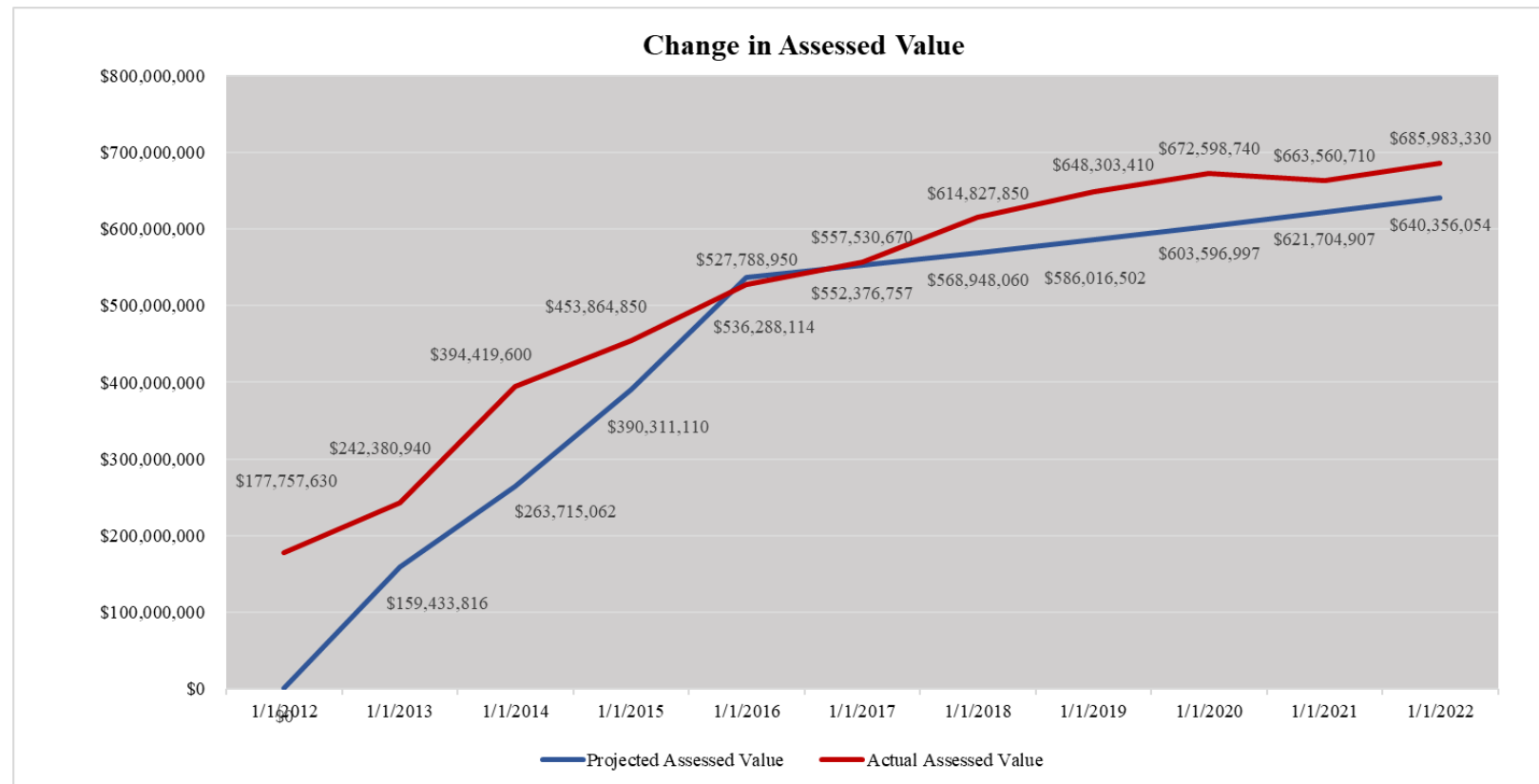
¹The calculations are shown rounded to the dollar; however, the calculations are not rounded.

Recommendation:

Release \$196 from the Surplus Fund, representing the amount in excess of the surplus fund requirement.

CHANGE IN TOTAL ASSESSED VALUES

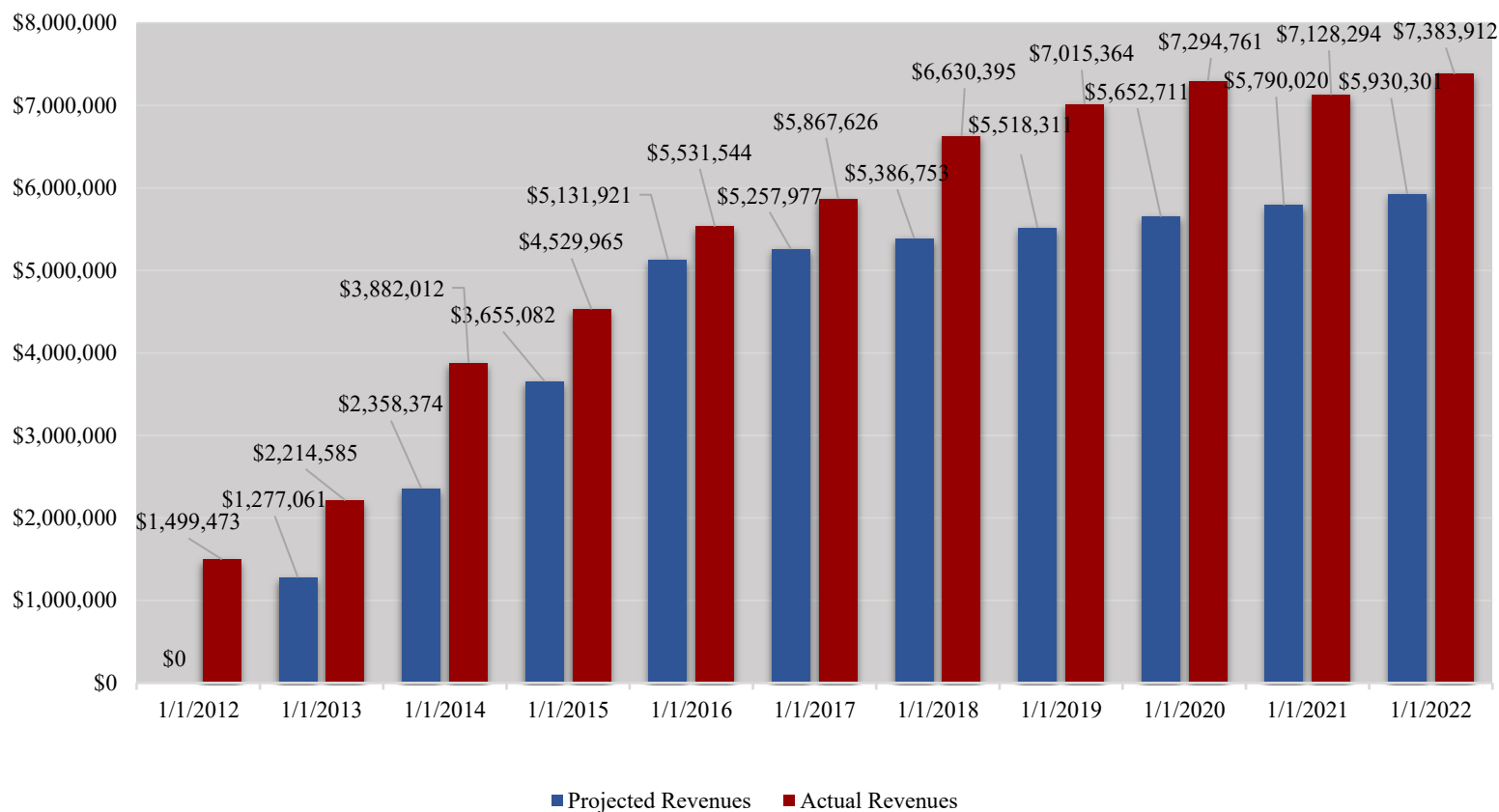
The below chart compares the actual assessed value of the parcels in the CDA District with the values projected in the Limited Offering Memorandum for the 2011 Bonds.



COMPARISON OF TAX INCREMENTAL REVENUES – COUNTY ADVANCED REVENUE

The below chart compares the actual tax increment revenues produced by the taxable parcels comprising the CDA District with the amounts projected in the Limited Offering Memorandum for the 2011 Bonds.

Projected vs. Actual Tax Increment Revenues



SUMMARY OF ESTIMATED REAL PROPERTY TAX REVENUES

The total estimated real property tax revenues for fiscal years 2023 through 2036 are shown below.

Assessed As of Date	Tax Due Date	Fiscal Year Ending	Projected Assessed Value ¹	Base Value	Incremental Property Value	FY 2022 County Tax Rate Per \$100 A.V. ²	Projected Tax Increment Revenues	Less: Amount Applied to Debt Service ³	Surplus Tax Incremental Revenues After Debt Service
1-Jan-22	5-Dec-22	30-Jun-23	\$685,983,330	(\$38,271,740)	\$647,711,590	\$1.140	\$7,383,912	\$4,965,435	\$2,418,478
1-Jan-23	5-Dec-23	30-Jun-24	\$703,132,913	(\$38,271,740)	\$664,861,173	\$1.140	\$7,579,417	\$4,966,661	\$2,612,757
1-Jan-24	5-Dec-24	30-Jun-25	\$720,711,236	(\$38,271,740)	\$682,439,496	\$1.140	\$7,779,810	\$4,966,952	\$2,812,858
1-Jan-25	5-Dec-25	30-Jun-26	\$738,729,017	(\$38,271,740)	\$700,457,277	\$1.140	\$7,985,213	\$4,972,254	\$3,012,959
1-Jan-26	5-Dec-26	30-Jun-27	\$757,197,242	(\$38,271,740)	\$718,925,502	\$1.140	\$8,195,751	\$4,971,438	\$3,224,313
1-Jan-27	5-Dec-27	30-Jun-28	\$776,127,173	(\$38,271,740)	\$737,855,433	\$1.140	\$8,411,552	\$4,975,126	\$3,436,426
1-Jan-28	5-Dec-28	30-Jun-29	\$795,530,353	(\$38,271,740)	\$757,258,613	\$1.140	\$8,632,748	\$4,976,469	\$3,656,279
1-Jan-29	5-Dec-29	30-Jun-30	\$815,418,612	(\$38,271,740)	\$777,146,872	\$1.140	\$8,859,474	\$4,982,361	\$3,877,113
1-Jan-30	5-Dec-30	30-Jun-31	\$835,804,077	(\$38,271,740)	\$797,532,337	\$1.140	\$9,091,869	\$4,981,834	\$4,110,035
1-Jan-31	5-Dec-31	30-Jun-32	\$856,699,179	(\$38,271,740)	\$818,427,439	\$1.140	\$9,330,073	\$4,989,726	\$4,340,347
1-Jan-32	5-Dec-32	30-Jun-33	\$878,116,658	(\$38,271,740)	\$839,844,918	\$1.140	\$9,574,232	\$4,986,127	\$4,588,105
1-Jan-33	5-Dec-33	30-Jun-34	\$900,069,575	(\$38,271,740)	\$861,797,835	\$1.140	\$9,824,495	\$4,991,106	\$4,833,389
1-Jan-34	5-Dec-34	30-Jun-35	\$922,571,314	(\$38,271,740)	\$884,299,574	\$1.140	\$10,081,015	\$4,994,063	\$5,086,952
1-Jan-35	5-Dec-35	30-Jun-36	\$945,635,597	(\$38,271,740)	\$907,363,857	\$1.140	\$10,343,948	\$4,994,782	\$5,349,166
Total							\$123,073,510	\$69,714,335	\$53,359,175

¹Represents actual assessed value for fiscal year 2022 increased at a 2.5% inflation factor.

²The real property tax rate represents an estimate of the real property tax rate for tax year 2022. The above calculation will be updated to the extent needed once the tax year 2022 tax rate is finalized.

³Includes the 2020A and 2020A-T bonds. Excludes interest earnings. Source: Mosaic Official Statement for the 2020 Bonds. Also includes the estimates administrative expenses reported in the Mosaic CDA Special Assessment Report 2022, increased at a 2.5% inflation factor.