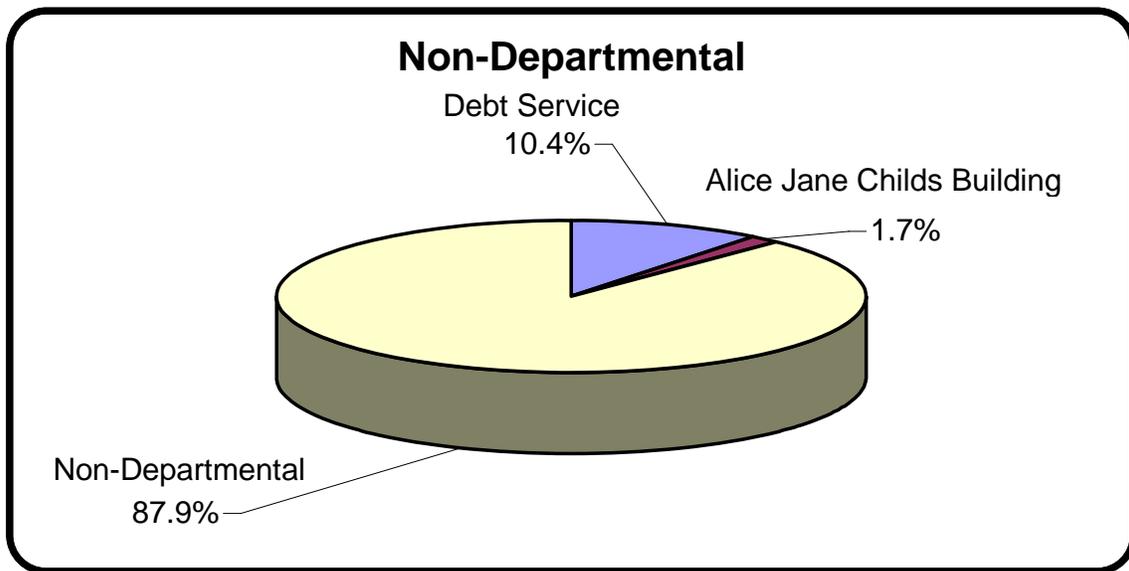
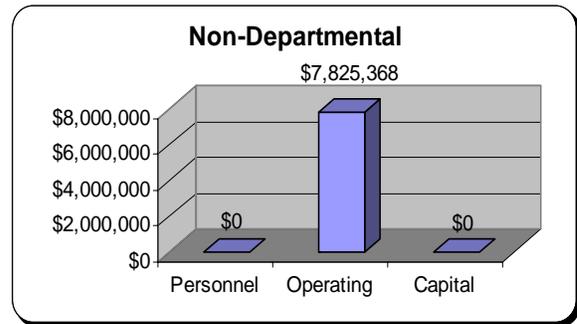
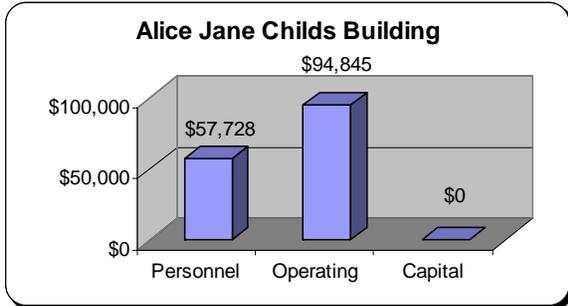


NON-DEPARTMENTAL

Debt Service	\$929,148
Alice Jane Childs Building	\$152,573
Non-Departmental	<u>\$7,825,368</u>
	\$8,907,089



NON-DEPARTMENTAL EXPENDITURES



DEBT SERVICE

Description:

The County has no statutory limit, or “legal debt margin”, on the amount it can issue. The Board of Supervisors has adopted certain financial policies limiting the amount of annual debt service payments to no more than 10 percent of general County revenues. These policies also serve as a guide for a schedule of debt funded projects in the Capital Improvements Program. For FY 2007 the amount of debt service payments represent 6.1 percent of the General Fund revenues.

Debt is considered tax supported if general tax revenues are used or if the County has made a pledge of annual appropriation to repay the debt. This debt includes general obligation debt, Virginia Public School Authority Bonds and capital leases.

The County is a highly rated issuer of debt securities. The County’s long-term general obligation bonds carry a rating of “double A2” from Moody’s Investor Service and “single A minus” from Standard and Poor’s Corporation. These ratings reflect the County’s management, low debt ratios and favorable location in Northern Virginia.

Current Debt Service:

Debt Service is the County’s expenditure for principal and interest payments on County debt. The County’s debt consists of two elements, one of which is reflected in the General Fund and one located in the School Division’s Operating Fund. Currently the debt in the General Fund is the annual capital lease payments for the Emergency Radio System and Bealeton Branch Library. The payments schedules are as follows:

GENERAL FUND

	<u>Emergency Radio System</u>		
	Principal	Interest	Total
FY 2007	\$ 430,000	\$ 272,264	\$ 702,264

	<u>Bealeton Library</u>		
	Principal	Interest	Total
FY 2007	\$ 166,745	\$ 60,139	\$ 226,884

SCHOOL OPERATING FUND

Virginia Public School Authority Bonds

	Principal	Interest	Total
FY 2007	\$4,985,000	\$2,853,072	\$7,838,072

Trustee Fees and Issuance Costs

FY 2007		<u>\$ 6,850</u>
Total Debt Service Adopted for FY 2007		\$8,774,070

DEBT SERVICE

Future Debt Service:

For FY 2007, \$45.7 million in new Capital Improvement Program (CIP) debt funded projects are being proposed. This includes \$36.7 million for the second of two appropriations to construct a \$67.5 million high school and \$9.0 million for the first of two appropriations to construct a \$17.5 million elementary school. An additional \$1.8 million in cash funding was appropriated for the purchase of land to construct a second elementary school which is projected to cost \$17.5 million to construct. To build the new high school, \$56.5 million will be bond funded and \$11.0 will be supported by cash. Debt service for these projects totaling \$4.7 million begins in FY 2008.

Fauquier County Construction Projects												
Department	Project	Adopted										
		FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	TOTAL
CONSTRUCTION DEBT												
Schools	New High School	36,694,000										36,694,000
	New Elem. School-Central	9,000,000	8,500,000									17,500,000
	New Elem. School-South		10,000,000	9,200,000								19,200,000
	New Middle School							13,890,000	13,890,000			27,780,000
	Taylor Middle School Renovation				7,000,000							7,000,000
	Warrenton Middle School Renovation					7,000,000						7,000,000
	Land & Design South Elementary	1,760,688										1,760,688
County	Land for, MS6, HS4					3,194,000				8,006,000		11,200,000
	County/School Offices				2,000,000	12,000,000	9,825,000					23,825,000
	Catlett/Calverton Sewer					6,000,000	6,000,000					12,000,000
	Transportation Complex						2,500,000	3,000,000	3,000,000			8,500,000
Library	New Baltimore Library		3,662,386	3,640,754								7,303,140
	Warrenton Central Library							419,125	4,960,208	5,541,850		10,921,183
	Virginiana Library										2,126,153	2,126,153
Parks & Recreation	Northern Complex Pool			2,700,000								2,700,000
	Southern Community Center with Pool								7,400,000			7,400,000
TOTAL DEBT		47,454,688	22,162,386	15,540,754	9,000,000	28,194,000	18,325,000	17,309,125	29,250,208	13,547,850	2,126,153	202,910,164
ESTIMATED DEBT SERVICE COSTS												
Schools	New High School		3,669,400	3,669,400	3,669,400	3,669,400	3,669,400	3,669,400	3,669,400	3,669,400	3,669,400	33,024,600
	New Elem. School-Central		900,000	1,750,000	1,750,000	1,750,000	1,750,000	1,750,000	1,750,000	1,750,000	1,750,000	14,900,000
	New Elem. School-South			1,000,000	1,920,000	1,920,000	1,920,000	1,920,000	1,920,000	1,920,000	1,920,000	14,440,000
	New Middle School								1,389,000	2,778,000	2,778,000	6,945,000
	Taylor Middle School Renovation					700,000	700,000	700,000	700,000	700,000	700,000	4,200,000
	Warrenton Middle School Renovation						700,000	700,000	700,000	700,000	700,000	3,500,000
	Land & Design South Elementary		176,068	176,068	176,068	176,068	176,068	176,068	176,068	176,068	176,068	1,584,612
County	Land for, MS6, HS4						319,400	319,400	319,400	319,400	1,120,000	2,397,600
	County/School Offices					200,000	1,400,000	2,382,500	2,382,500	2,382,500	2,382,500	11,130,000
	Catlett/Calverton Sewer						600,000	1,200,000	1,200,000	1,200,000	1,200,000	5,400,000
	Transportation Complex							250,000	550,000	850,000	850,000	2,500,000
Library	New Baltimore Library			366,238	730,313	730,313	730,313	730,313	730,313	730,313	730,313	5,478,429
	Warrenton Central Library								41,912	537,932	1,092,117	1,671,961
	Virginiana Library											0
Parks & Recreation	Northern Complex Pool				270,000	270,000	270,000	270,000	270,000	270,000	270,000	1,890,000
	Southern Community Center with Pool									740,000	740,000	1,480,000
TOTAL DEBT SERVICE COSTS		4,745,468	6,961,706	8,515,781	9,415,781	12,235,181	14,067,681	15,798,593	18,723,613	20,078,398	2,126,153	110,542,202
TOTAL PROJECTED OPERATING COSTS (INITIAL)												
			0	9,484,000	4,294,000	0	0	400,000	0	6,757,000	655,000	21,590,000

As part of the budget process, the Board of Supervisors adopted a 10 year capital program which included 17 projects totaling over \$202.9 million with projected annual operating costs of \$21.6 million. In addition to the three schools mentioned, the CIP includes a middle school, land for school sites, renovation to two middle schools, a County/School office building, general service/transportation facility, sewer project, two swimming pools, two libraries and a Community Center.

Bonded Debt Authorization and Issuance Policies:

The Constitution of Virginia and the Virginia Public Finance Act provide the authority for a County to issue general obligation debt secured solely by the pledge of its full faith and credit as

DEBT SERVICE

well as debt secured by the fee revenues generated by the system for which the bonds are issued and, if necessary, by general obligation tax revenues. The County is also authorized to issue debt secured solely by the revenues of the system for which the bonds are issued. There is no limitation imposed by state law or local ordinance on the amount of general obligation debt which a County may issue; however with certain exceptions, debt which either directly or indirectly is secured by the general obligation of a County must be approved at public referendum prior to issuance. Debt secured solely by the revenues generated by the system for which the bonds were issued may be issued in any amount without a public referendum.

On June 11, 2003 the Board of Supervisors adopted a Resolution to establish a Debt Referendum Policy for Fauquier County. This policy was revised on November 17, 2003. On October 13, 2005 the Board of Supervisors amended the Debt Referendum Policy, effective October 14, 2005.

1. All new facility construction projects or acquisitions that exceed \$25,000,000 shall be subject to voter referendum regardless of financing mechanism.
2. The referendum threshold for new facility construction projects shall be lowered to \$2,000,000 in the event that the County has, or through the issuance of the contemplated debt will, exceed 100% of the County's debt capacity. (Debt capacity shall be defined as 10% of the General Fund revenues committed to debt service).
3. Voter referendums shall coincide with the general election.
4. The Board of Supervisors may waive the referendum requirement, to the extent allowed by law, to meet a critical health and/or public safety need or in conjunction with a court order, by a majority vote of the Board of Supervisors at a regularly scheduled meeting.



DEBT SERVICE

	<u>1-Jul-06</u>	<u>FY 2007</u>	<u>1-Jul-07</u>	<u>FY 2008</u>	<u>1-Jul-08</u>	<u>FY 2009</u>
<u>Bond Projects</u>	<u>Principal</u>	<u>Principal</u>	<u>Principal</u>	<u>Principal</u>	<u>Principal</u>	<u>Principal</u>
<u>Schools</u>	<u>Balance</u>	<u>Payment</u>	<u>Balance</u>	<u>Payment</u>	<u>Balance</u>	<u>Payment</u>
Liberty High (Refinance)	6,580,000	860,000	5,720,000	850,000	4,870,000	840,000
1994 A Series (Refinance)	5,410,000	1,420,000	3,990,000	1,375,000	2,615,000	1,305,000
Auburn Middle (1st Borrowing)	5,120,000	320,000	4,800,000	320,000	4,480,000	320,000
Auburn Middle/Thompson Elem.	10,460,000	585,000	9,875,000	585,000	9,290,000	585,000
Thompson Elem.(2nd Borrowing and 2 Additional Authorizations), Cedar Lee Library and LHS HVAC Additional	11,540,000	580,000	10,960,000	580,000	10,380,000	580,000
Liberty High HVAC	3,530,000	190,000	3,340,000	190,000	3,150,000	190,000
Marshall Middle	3,425,000	230,000	3,195,000	230,000	2,965,000	230,000
Brumfield Elem.	2,450,000	175,000	2,275,000	175,000	2,100,000	175,000
Cedar Lee Middle	2,100,000	175,000	1,925,000	175,000	1,750,000	175,000
Pierce, Coleman Elem. & Fauquier High	<u>4,950,000</u>	<u>450,000</u>	<u>4,500,000</u>	<u>450,000</u>	<u>4,050,000</u>	<u>450,000</u>
	55,565,000	4,985,000	50,580,000	4,930,000	45,650,000	4,850,000
General Fund						
Emergency Radio System *	5,870,000	430,000	5,440,000	445,000	4,995,000	460,000
Bealeton Library **	<u>1,246,356</u>	<u>166,745</u>	<u>1,079,611</u>	<u>175,170</u>	<u>904,441</u>	<u>184,019</u>
	7,116,356	596,745	6,519,611	620,170	5,899,441	644,019
TOTAL	62,681,356	5,581,745	57,099,611	5,550,170	51,549,441	5,494,019
	<u>1-Jul-09</u>	<u>FY 2010</u>	<u>1-Jul-10</u>	<u>FY 2011</u>	<u>1-Jul-11</u>	<u>FY 2012</u>
<u>Bond Projects</u>	<u>Principal</u>	<u>Principal</u>	<u>Principal</u>	<u>Principal</u>	<u>Principal</u>	<u>Principal</u>
<u>Schools</u>	<u>Balance</u>	<u>Payment</u>	<u>Balance</u>	<u>Payment</u>	<u>Balance</u>	<u>Payment</u>
Liberty High (Refinance)	4,030,000	825,000	3,205,000	815,000	2,390,000	805,000
1994 A Series (Refinance)	1,310,000	685,000	625,000	325,000	300,000	300,000
Auburn Middle (1st Borrowing)	4,160,000	320,000	3,840,000	320,000	3,520,000	320,000
Auburn Middle/Thompson Elem.	8,705,000	585,000	8,120,000	580,000	7,540,000	580,000
Thompson Elem.(2nd Borrowing and 2 Additional Authorizations), Cedar Lee Library and LHS HVAC Additional	9,800,000	580,000	9,220,000	580,000	8,640,000	580,000
Liberty High HVAC	2,960,000	185,000	2,775,000	185,000	2,590,000	185,000
Marshall Middle	2,735,000	230,000	2,505,000	230,000	2,275,000	230,000
Brumfield Elem.	1,925,000	175,000	1,750,000	175,000	1,575,000	175,000
Cedar Lee Middle	1,575,000	175,000	1,400,000	175,000	1,225,000	175,000
Pierce, Coleman Elem. & Fauquier High	<u>3,600,000</u>	<u>450,000</u>	<u>3,150,000</u>	<u>450,000</u>	<u>2,700,000</u>	<u>450,000</u>
	40,800,000	4,210,000	36,590,000	3,835,000	32,755,000	3,800,000
General Fund						
Emergency Radio System *	4,535,000	485,000	4,050,000	500,000	3,550,000	525,000
Bealeton Library **	<u>720,422</u>	<u>193,316</u>	<u>527,106</u>	<u>203,083</u>	<u>324,023</u>	<u>213,343</u>
	5,255,422	678,316	4,577,106	703,083	3,874,023	738,343
TOTAL	46,055,422	4,888,316	41,167,106	4,538,083	36,629,023	4,538,343

* Lender is Virginia Resources Authority (VRA)

** Lender is The Fauquier Bank, a local lending agency.

All other current debt is with Virginia Public School Authority (VPSA)

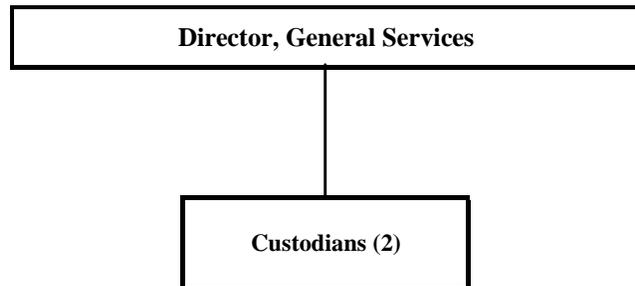
DEBT SERVICE

Bond Projects	1-Jul-12 Principal Balance	FY 2013 Principal Payment	1-Jul-13 Principal Balance	FY 2014 Principal Payment	1-Jul-14 Principal Balance	FY 2015 Principal Payment
Schools						
Liberty High (Refinance)	1,585,000	795,000	790,000	790,000	0	0
1994 A Series (Refinance)	0	0	0	0	0	0
Auburn Middle (1st Borrowing)	3,200,000	320,000	2,880,000	320,000	2,560,000	320,000
Auburn Middle/Thompson Elem. Thompson Elem.(2nd Borrowing) and 2 Additional Authorizations), Cedar Lee Library and LHS HVAC Additional	6,960,000	580,000	6,380,000	580,000	5,800,000	580,000
Liberty High HVAC	8,060,000	580,000	7,480,000	580,000	6,900,000	575,000
Marshall Middle	2,405,000	185,000	2,220,000	185,000	2,035,000	185,000
Brumfield Elem.	2,045,000	230,000	1,815,000	230,000	1,585,000	230,000
Cedar Lee Middle	1,400,000	175,000	1,225,000	175,000	1,050,000	175,000
Pierce, Coleman Elem. & Fauquier High	1,050,000	175,000	875,000	175,000	700,000	175,000
	<u>2,250,000</u>	<u>450,000</u>	<u>1,800,000</u>	<u>450,000</u>	<u>1,350,000</u>	<u>450,000</u>
	28,955,000	3,490,000	25,465,000	3,485,000	21,980,000	2,690,000
Emergency Radio System *	3,025,000	545,000	2,480,000	575,000	1,905,000	605,000
<u>Bealeton Library **</u>	<u>110,680</u>	<u>110,680</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	3,135,680	655,680	2,480,000	575,000	1,905,000	605,000
TOTAL	32,090,680	4,145,680	27,945,000	4,060,000	23,885,000	3,295,000
Bond Projects	1-Jul-15 Principal Balance	FY 2016 Principal Payment	1-Jul-16 Principal Balance			
Schools						
Liberty High (Refinance)	0	0	0			
1994 A Series (Refinance)	0	0	0			
Auburn Middle (1st Borrowing)	2,240,000	320,000	1,920,000			
Auburn Middle/Thompson Elem. Thompson Elem.(2nd Borrowing) and 2 Additional Authorizations), Cedar Lee Library and LHS HVAC Additional	5,220,000	580,000	4,640,000			
Liberty High HVAC	6,325,000	575,000	5,750,000			
Marshall Middle	1,850,000	185,000	1,665,000			
Brumfield Elem.	1,355,000	230,000	1,125,000			
Cedar Lee Middle	875,000	175,000	700,000			
Pierce, Coleman Elem. & Fauquier High	525,000	175,000	350,000			
	<u>900,000</u>	<u>450,000</u>	<u>450,000</u>			
	19,290,000	2,690,000	16,600,000			
Emergency Radio System *	1,300,000	635,000	665,000			
<u>Bealeton Library **</u>	<u>0</u>	<u>0</u>	<u>0</u>			
	1,300,000	635,000	665,000			
TOTAL	20,590,000	3,325,000	17,265,000			

ALICE JANE CHILDS BUILDING

MISSION/PURPOSE

To provide professional and timely services for the facility and the tenants. Maintain a high state of quality of cleanliness to assure neat, clean and safe environment for everyone.



GOALS

- To maintain the facility and grounds, in such a manner as to reflect a positive image to the citizens and visitors of Fauquier County

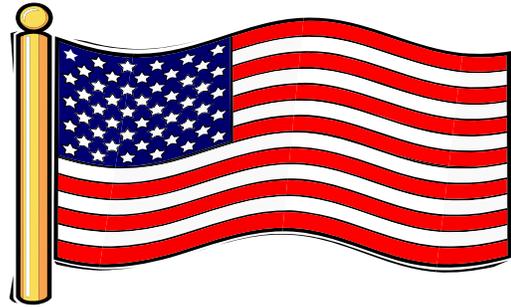
BUDGET

	FY 2004 Actual	FY 2005 Actual	FY 2006 Adopted	FY 2007 Requested	FY 2007 Adopted
Costs:					
Personnel	\$3,564	\$4,099	\$56,211	\$57,728	\$57,728
Operating	\$12,681	\$8,349	\$94,845	\$94,845	\$94,845
Capital	\$0	\$0	\$0	\$0	\$0
Total	\$16,245	\$12,448	\$151,056	\$152,573	\$152,573
Revenue:	\$309,078	\$317,300	\$317,300	\$317,300	\$334,664
Net Local Revenue	(\$292,833)	(\$304,852)	(\$166,244)	(\$164,727)	(\$182,091)
Full-time Staff	1	1	2	2	2
Part-time Staff	0	0	0	0	0
Full-time Equivalents	1	1	2	2	2

NON -DEPARTMENTAL

MISSION/PURPOSE

The non-departmental category provides funds for programs that are not attributable to any one department. Included is a contingency reserve for emergency needs as directed by the Board of Supervisors.



GOALS

- Maintain reserve for anticipated and unanticipated contingencies

BUDGET

	FY 2004 Actual	FY 2005 Actual	FY 2006 Adopted	FY 2007 Requested	FY 2007 Adopted
Costs:					
Personnel	\$0	\$0	\$0	\$0	\$0
Operating	\$552,652	\$579,411	\$2,058,886	\$9,289,000	\$7,825,368
Capital	\$0	\$0	\$0	\$0	\$0
Total	\$552,652	\$579,411	\$2,058,886	\$9,289,000	\$7,825,368
Revenue:	\$0	\$0	\$0	\$0	\$0
Net Local Revenue	\$552,652	\$579,411	\$2,058,886	\$9,289,000	\$7,825,368
Full-time Staff	0	0	0	0	0
Part-time Staff	0	0	0	0	0
Full-time Equivalents	0	0	0	0	0

For FY 2007 the Non-Department element of the Budget increased 183.9 percent or \$5.8 million more than appropriated in FY 2006. Included in the increase are: \$831,000 for compensation issues such as support of the recently completed Pay and Classification Study, \$289,000 to fund Affordable Housing initiatives, \$77,000 for increased utility costs and \$189,000 reserved for contingency. The largest element of the increase, \$4.4 million, will serve as cash funding toward construction of a new high school. In FY 2008 and the out years, the cash funding for the high school will be used to support debt service for the new high school.