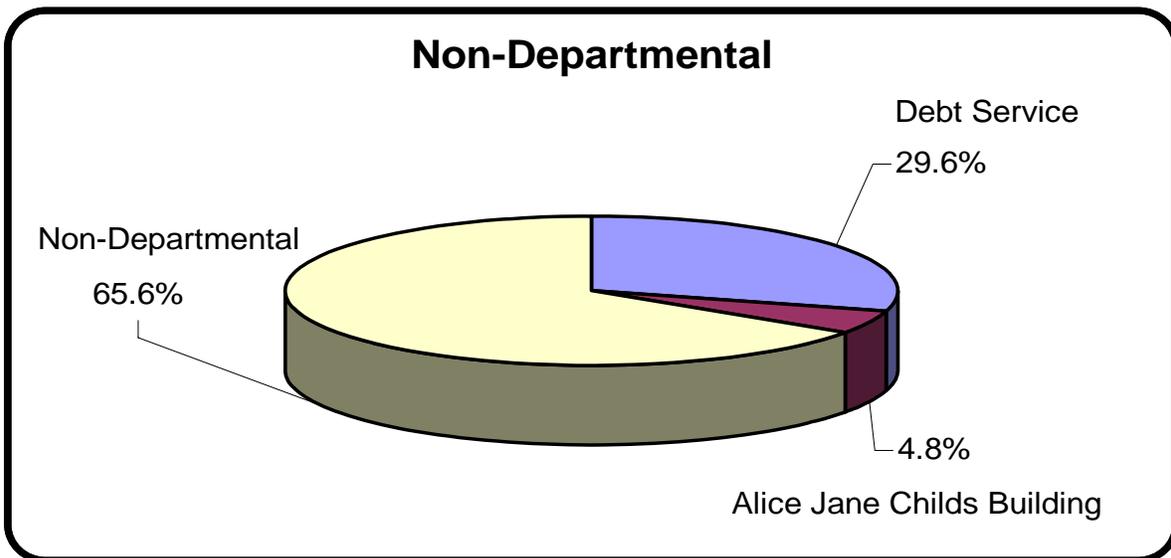
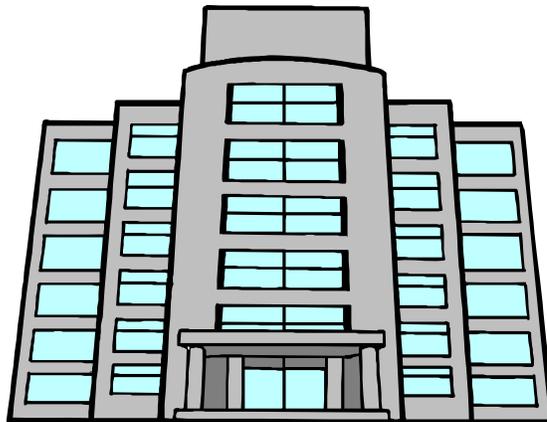
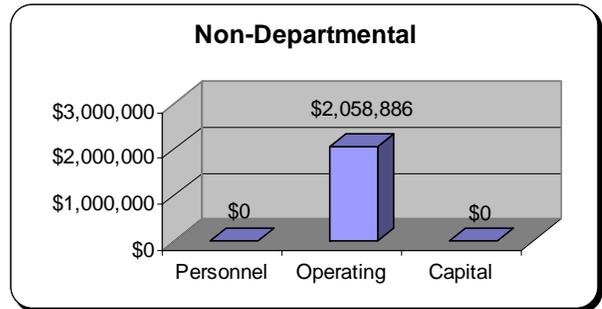
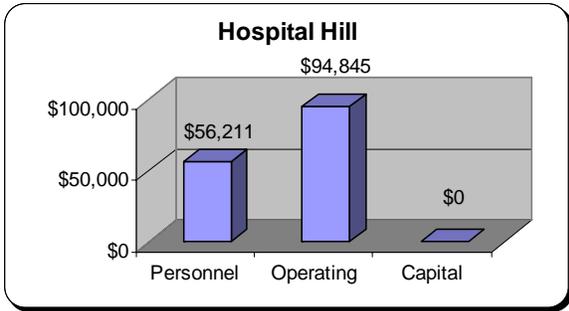


NON-DEPARTMENTAL

Debt Service	\$927,532
Alice Jane Childs Building	\$151,056
Non-Departmental	<u>\$2,056,886</u>
	\$3,137,474



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% 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 2006 the amount of debt service payments represent 6.9% 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 plus” 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 2006	\$ 415,000	\$ 285,648	\$ 700,648

	<u>Bealeton Library</u>		
	Principal	Interest	Total
FY 2006	\$ 158,726	\$ 68,158	\$ 226,884

SCHOOL OPERATING FUND

	<u>Virginia Public School Authority Bonds</u>		
	Principal	Interest	Total
FY 2006	\$4,962,200	\$2,465,492	\$7,427,692

	<u>Trustee Fees and Issuance Costs</u>		
			Total
FY 2006			\$ 6,850
Total Debt Service Adopted for FY 2006			\$8,362,074

DEBT SERVICE

Future Debt Service:

For FY 2006, \$ 22.7 million in new Capital Improvement Program (CIP) debt funded projects were adopted. Approved by Voter Resolution, this includes \$19.8 million for the first of two borrowings (total \$50.6 million, \$11.0 million in cash and \$39.6 million borrowed) for the construction of a new high school. In addition \$2.7 million has been included for expansion and renovation of Cedar Lee Middle School. Debt service for these projects will begin in FY 2007.

Fauquier County Construction Projects												
FY 2006 - FY 2015												
Department	Project	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	TOTAL
CONSTRUCTION - DEBT												
Schools	New High School*	19,806,000	19,806,000									39,612,000
	Cedar Lee MS Library Expansion	2,720,000										2,720,000
	New Elementary School-Central				8,499,000	8,499,000						16,998,000
	New Middle School								13,268,000	13,268,000		26,536,000
	Fauquier High School Renovation							1,784,000			14,111,000	15,895,000
	Taylor Middle School Renovation					6,000,000						6,000,000
	New Elementary School-South									10,754,000	10,754,000	21,508,000
Board of Supervisors	Catlett/Calverton Sewer		3,029,000	3,029,000								6,058,000
Library	New Baltimore Library	201,000		2,834,000	2,834,000							5,869,000
	Warrenton Central Library								310,000	3,936,000	3,936,000	8,182,000
	Southern Community Center with Pool				310,000		368,962			6,979,865		7,658,827
TOTAL DEBT		22,727,000	22,835,000	5,863,000	11,643,000	14,499,000	368,962	1,784,000	13,578,000	34,937,865	28,801,000	157,036,827
DEBT SERVICE COSTS												
Schools	New High School		1,980,600	3,961,200	3,961,200	3,961,200	3,961,200	3,961,200	3,961,200	3,961,200	3,961,200	33,670,200
	Cedar Lee MS Library Expansion		272,000	272,000	272,000	272,000	272,000	272,000	272,000	272,000	272,000	2,448,000
	New Elementary School-Central					849,900	849,900	1,699,800	1,699,800	1,699,800	1,699,800	8,499,000
	New Middle School									1,326,800	2,653,600	3,980,400
	Fauquier High School Renovation								178,400	178,400	178,400	535,200
	Taylor Middle School Renovation						600,000	600,000	600,000	600,000	600,000	3,000,000
	New Elementary School-South										1,075,400	1,075,400
Board of Supervisors	Catlett/Calverton Sewer			302,900	605,800	605,800	605,800	605,800	605,800	605,800	605,800	4,543,500
Library	New Baltimore Library		20,100	20,100	303,500	586,900	586,900	586,900	586,900	586,900	586,900	3,865,100
	Warrenton Central Library									31,000	424,600	455,600
	Southern Community Center with Pool					31,000	31,000	67,896	67,896	67,896	765,883	1,031,571
TOTAL DEBT SERVICE COSTS		0	2,272,700	4,556,200	5,142,500	6,306,800	6,906,800	7,793,596	7,971,996	9,329,796	12,823,583	63,103,971
TOTAL PROJECTED OPERATING COSTS (INITIAL)		0	21,000	5,000,000	200,000	455,000	3,707,000	0	0	0	5,701,634	15,084,634

Projects under review subject to debt support for the next 10 years total \$157.0 million dollars in construction costs and \$15.1 in increased operational costs. These projects include the new high school, two new elementary schools and a middle school, major renovations to other schools, two new libraries and a community center. Approval of these projects could result in debt service exceeding the Board of Supervisors policy limit of 10% of general fund revenue.

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 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.

DEBT SERVICE

On June 18, 2001 the Board of Supervisors adopted a Resolution to establish a Debt Referendum Policy for Fauquier County, effective July 1, 2002.

1. All new facility construction projects or acquisitions that exceed \$10,00,000 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

	1-Jul-05	FY 2006	1-Jul-06	FY 2007	1-Jul-07	FY 2008
	Principal	Principal	Principal	Principal	Principal	Principal
<u>Bond Projects</u>	<u>Balance</u>	<u>Payment</u>	<u>Balance</u>	<u>Payment</u>	<u>Balance</u>	<u>Payment</u>
<u>Schools</u>						
Liberty High (Refinance)	7,450,000	870,000	6,580,000	860,000	5,720,000	850,000
1994 A Series (Refinance)	6,855,000	1,445,000	5,410,000	1,420,000	3,990,000	1,375,000
Auburn Middle (1st Borrowing)	5,440,000	320,000	5,120,000	320,000	4,800,000	320,000
Auburn Middle/Thompson Elem.	11,045,000	585,000	10,460,000	585,000	9,875,000	585,000
Thompson Elem.(2nd Borrowing)	1,572,000	157,200	1,414,800	157,200	1,257,600	157,200
Thompson Elem. Additional	3,650,000	365,000	3,285,000	365,000	2,920,000	365,000
Liberty High HVAC	3,720,000	190,000	3,530,000	190,000	3,340,000	190,000
Marshall Middle	3,655,000	230,000	3,425,000	230,000	3,195,000	230,000
Brumfield Elem.	2,625,000	175,000	2,450,000	175,000	2,275,000	175,000
Cedar Lee Middle	2,275,000	175,000	2,100,000	175,000	1,925,000	175,000
Pierce, Coleman Elem.						
<u>& Fauquier High</u>	<u>5,400,000</u>	<u>450,000</u>	<u>4,950,000</u>	<u>450,000</u>	<u>4,500,000</u>	<u>450,000</u>
	53,687,000	4,962,200	48,724,800	4,927,200	43,797,600	4,872,200
<u>General Fund</u>						
Emergency Radio System *	6,285,000	415,000	5,870,000	430,000	5,440,000	445,000
<u>Bealeton Library **</u>	<u>1,405,082</u>	<u>158,726</u>	<u>1,246,356</u>	<u>166,745</u>	<u>1,079,611</u>	<u>175,170</u>
	7,690,082	573,726	7,116,356	596,745	6,519,611	620,170
TOTAL	61,377,082	5,535,926	55,841,156	5,523,945	50,317,211	5,492,370
	1-Jul-08	FY 2009	1-Jul-09	FY 2010	1-Jul-10	FY 2011
	Principal	Principal	Principal	Principal	Principal	Principal
<u>Bond Projects</u>	<u>Balance</u>	<u>Payment</u>	<u>Balance</u>	<u>Payment</u>	<u>Balance</u>	<u>Payment</u>
<u>Schools</u>						
Liberty High (Refinance)	4,870,000	840,000	4,030,000	825,000	3,205,000	815,000
1994 A Series (Refinance)	2,615,000	1,305,000	1,310,000	685,000	625,000	325,000
Auburn Middle (1st Borrowing)	4,480,000	320,000	4,160,000	320,000	3,840,000	320,000
Auburn Middle/Thompson Elem.	9,290,000	585,000	8,705,000	585,000	8,120,000	580,000
Thompson Elem.(2nd Borrowing)	1,100,400	157,200	943,200	157,200	786,000	157,200
Thompson Elem. Additional	2,555,000	365,000	2,190,000	365,000	1,825,000	365,000
Liberty High HVAC	3,150,000	190,000	2,960,000	185,000	2,775,000	185,000
Marshall Middle	2,965,000	230,000	2,735,000	230,000	2,505,000	230,000
Brumfield Elem.	2,100,000	175,000	1,925,000	175,000	1,750,000	175,000
Cedar Lee Middle	1,750,000	175,000	1,575,000	175,000	1,400,000	175,000
Pierce, Coleman Elem.						
<u>& Fauquier High</u>	<u>4,050,000</u>	<u>450,000</u>	<u>3,600,000</u>	<u>450,000</u>	<u>3,150,000</u>	<u>450,000</u>
	38,925,400	4,792,200	34,133,200	4,152,200	29,981,000	3,777,200
<u>General Fund</u>						
Emergency Radio System *	4,995,000	460,000	4,535,000	485,000	4,050,000	500,000
<u>Bealeton Library **</u>	<u>904,441</u>	<u>184,019</u>	<u>720,422</u>	<u>193,316</u>	<u>527,106</u>	<u>203,083</u>
	5,899,441	644,019	5,255,422	678,316	4,577,106	703,083
TOTAL	44,824,841	5,436,219	39,388,622	4,830,516	34,558,106	4,480,283

* 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)

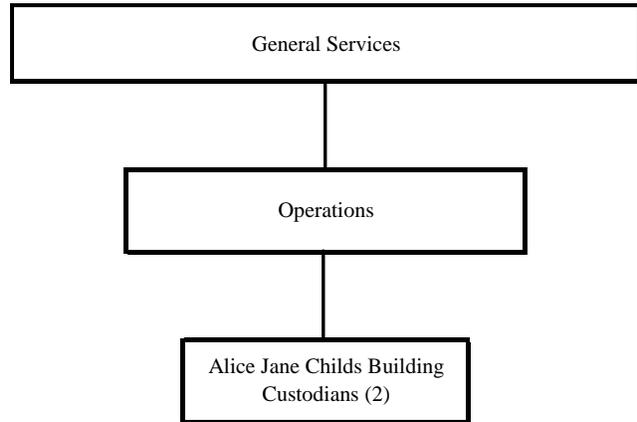
DEBT SERVICE

<u>Bond Projects</u>	<u>1-Jul-11 Principal Balance</u>	<u>FY 2012 Principal Payment</u>	<u>1-Jul-12 Principal Balance</u>	<u>FY 2013 Principal Payment</u>	<u>1-Jul-13 Principal Balance</u>	<u>FY 2014 Principal Payment</u>
Schools						
Liberty High (Refinance)	2,390,000	805,000	1,585,000	795,000	790,000	790,000
1994 A Series (Refinance)	300,000	300,000	0	0	0	0
Auburn Middle (1st Borrowing)	3,520,000	320,000	3,200,000	320,000	2,880,000	320,000
Auburn Middle/Thompson Elem.	7,540,000	580,000	6,960,000	580,000	6,380,000	580,000
Thompson Elem.(2nd Borrowing)	628,800	157,200	471,600	157,200	314,400	157,200
Thompson Elem. Additional	1,460,000	365,000	1,095,000	365,000	730,000	365,000
Liberty High HVAC	2,590,000	185,000	2,405,000	185,000	2,220,000	185,000
Marshall Middle	2,275,000	230,000	2,045,000	230,000	1,815,000	230,000
Brumfield Elem.	1,575,000	175,000	1,400,000	175,000	1,225,000	175,000
Cedar Lee Middle	1,225,000	175,000	1,050,000	175,000	875,000	175,000
Pierce, Coleman Elem. & Fauquier High	<u>2,700,000</u>	<u>450,000</u>	<u>2,250,000</u>	<u>450,000</u>	<u>1,800,000</u>	<u>450,000</u>
	26,203,800	3,742,200	22,461,600	3,432,200	19,029,400	3,427,200
Emergency Radio System *	3,550,000	525,000	3,025,000	545,000	2,480,000	575,000
<u>Bealeton Library **</u>	<u>324,023</u>	<u>213,343</u>	<u>110,680</u>	<u>110,680</u>	<u>0</u>	<u>0</u>
	3,874,023	738,343	3,135,680	655,680	2,480,000	575,000
TOTAL	30,077,823	4,480,543	25,597,280	4,087,880	21,509,400	4,002,200
<u>Bond Projects</u>	<u>1-Jul-14 Principal Balance</u>	<u>FY 2015 Principal Payment</u>	<u>1-Jul-15 Principal Balance</u>			
Schools						
Liberty High (Refinance)	0	0	0			
1994 A Series (Refinance)	0	0	0			
Auburn Middle (1st Borrowing)	2,560,000	320,000	2,240,000			
Auburn Middle/Thompson Elem.	5,800,000	580,000	5,220,000			
Thompson Elem.(2nd Borrowing)	157,200	157,200	0			
Thompson Elem. Additional	365,000	365,000	0			
Liberty High HVAC	2,035,000	185,000	1,850,000			
Marshall Middle	1,585,000	230,000	1,355,000			
Brumfield Elem.	1,050,000	175,000	875,000			
Cedar Lee Middle	700,000	175,000	525,000			
Pierce, Coleman Elem. & Fauquier High	<u>1,350,000</u>	<u>450,000</u>	<u>900,000</u>			
	15,602,200	2,637,200	12,965,000			
Emergency Radio System *	1,905,000	605,000	1,300,000			
<u>Bealeton Library **</u>	<u>0</u>	<u>0</u>	<u>0</u>			
	1,905,000	605,000	1,300,000			
TOTAL	17,507,200	3,242,200	14,265,000			

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 2003 Actual	FY 2004 Actual	FY 2005 Adopted	FY 2006 Requested	FY 2006 Adopted
Costs:					
Personnel	\$0	\$3,564	\$26,782	\$56,211	\$56,211
Operating	\$61,330	\$12,681	\$94,845	\$94,845	\$94,845
Capital	\$0	\$0	\$0	\$0	\$0
Total	\$61,330	\$16,245	\$121,627	\$151,056	\$151,056
Revenue:	\$0	\$0	\$0	\$0	\$0
Net Tax	\$61,330	\$16,245	\$121,627	\$151,056	\$151,056
Full-time Staff	1	1	1	2	2
Part-time Staff	0	0	0	0	0
Full-time Equivalents	1	1	1	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 2003 Actual	FY 2004 Actual	FY 2005 Adopted	FY 2006 Requested	FY 2006 Adopted
Costs:					
Personnel	\$4,796	\$0	\$0	\$0	\$0
Operating	\$517,814	\$552,652	\$1,943,626	\$3,118,000	\$2,058,886
Capital	\$0	\$0	\$0	\$0	\$0
Total	\$522,610	\$522,652	\$1,943,626	\$3,118,000	\$2,058,886
Revenue:	\$0	\$0	\$0	\$0	\$0
Net Tax	\$522,610	\$552,652	\$1,943,626	\$3,118,000	\$2,058,886
Full-time Staff	0	0	0	0	0
Part-time Staff	0	0	0	0	0
Full-time Equivalents	0	0	0	0	0