

# LOUDOUN COUNTY, VIRGINIA Comprehensive Annual Financial Report

Year ended June 30, 2016





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# **COUNTY OF LOUDOUN, VIRGINIA**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended**

**June 30, 2016**



**Prepared by:**

**Department of Finance & Procurement  
Division of Accounting & Financial Analysis**

John Sandy, Assistant County Administrator  
Janet Romanchyk, Controller  
Lisa W. Cockrell, Accounting Manager



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# COUNTY OF LOUDOUN, VIRGINIA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2016

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# Introductory Section

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**Loudoun County Board of Supervisors, 2016-2019**

The Introductory Section includes the letters of transmittal, which provide a profile of the government, the local economic condition and outlook, long term financial planning goals, and major initiatives. Also included in the introductory section is the Government Finance Officers Certificate of Achievement for Excellence in Financial Reporting, an organizational chart, a directory of officials, and a an overview of the County.



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## Loudoun County, Virginia

[www.loudoun.gov](http://www.loudoun.gov)

Office of the County Administrator

1 Harrison Street, S.E., 5th Floor, P.O. Box 7000, Leesburg, VA 20177-7000

Telephone (703) 777-0200 • Fax (703) 777-0325

November 30, 2016

The Honorable Members of the Board of Supervisors, and  
Citizens of the County  
County of Loudoun, Virginia  
1 Harrison Street, S.E., P.O. Box 7000  
Leesburg, Virginia 20177-7000

Dear Mr. Chairman, Members of the Board, and Citizens:

I am pleased to present the County's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2016.

This report prepared by the Division of Accounting and Financial Analysis of the Department of Finance and Procurement, identifies the County's financial position and marks the County's financial activities over the past fiscal year. We believe the data contained in the report are accurate in all material aspects. The required disclosure statements are also set forth.

The CAFR marks the County's continued adherence to and refinement of the guidelines and goals set forth in the Board of Supervisors' Fiscal Policy. The purpose of the Fiscal Policy is to set forth those policies of the Board that establish guidelines for the fiscal stability of the County and establish guidelines for the County Administrator in ensuring that fiscal stability. An effective Fiscal Policy: (1) contributes significantly to the County's ability to insulate itself from fiscal crisis; (2) enhances short-term and long term financial ability to borrow by helping to achieve the highest credit and bond ratings possible; (3) promotes long-term financial stability by establishing clear and consistent guidelines; (4) directs attention to the total financial picture of the County rather than single issue areas; (5) promotes the view of linking long-term financial planning with day-to-day operations; and (6) provides a framework for measuring the impact of government services against established fiscal parameters and guidelines. The progress summarized in the CAFR is an indication of the success of these policies. During fiscal year 2016, Moody's Investors Services, Inc. affirmed the County's Aaa bond rating, Standard and Poor's (S&P) and Fitch Credit Rating Services affirmed the County's AAA bond ratings. This action represents the highest rating available for general obligation bonds from all three rating agencies.

The County concluded fiscal year 2016 in sound financial condition. In addition, the County continued its commitments designed to effectively manage the challenges that continued growth has brought to Loudoun County. These commitments include extending the Metrorail Silver Line into Loudoun County, and continuing to designate two cents of real estate tax revenues in support of multiple road projects both of which serve to improve the regional transportation network.

Population growth continues to be a dominant local trend affecting every area of the government's operations. Loudoun is expected to continue to experience one of the highest percentage growth rates in population and jobs in the Washington Metropolitan Area. According to the Loudoun County Department of Planning and Zoning, the County's 2016 population is estimated to be 373,694, an increase of 19.7 percent since 2010. According to the U.S. Department of Commerce, Bureau of the Census, Loudoun's population increased by 84 percent between 2000 and 2010, which resulted in Loudoun being recognized as the fifth fastest growing county in the nation. Between 2010 and 2015, Loudoun was the 15<sup>th</sup> fastest growing county in the nation.

Board of Supervisors and Citizens

Continued planning and commitment is required to meet the challenge of efficiently providing needed services for the growing population; providing for the necessary infrastructure for the future; and growing the tax base and resources required to pay for that infrastructure. Loudoun County has continued to follow a policy of fiscal sustainability. In April 2016, the County adopted a fiscal year 2017 plan that resulted in an overall increase of \$16.1 million in the general county government and a \$69.8 million addition in the school operating fund as compared to fiscal year 2015 appropriations.

In managing our available resources, the County must strike a balance between the demands for additional services and the ability to pay for those services. Financial management continues to be of paramount importance in this and future fiscal years.

The County's financial health is reflected in the soundness of its current financial condition, and it is anticipated that current financial management practices will continue the County's tradition of fiscal stability. The Board's emphasis on sound fiscal planning, budget development and financial management contributes to the present financial condition of the County and sets the parameters and tasks for next year.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Hemstreet', written in a cursive style.

Tim Hemstreet  
County Administrator



## Loudoun County, Virginia

[www.loudoun.gov](http://www.loudoun.gov)

Department of Finance and Procurement

1 Harrison Street, S.E., 4th Floor, MSC #41

P.O. Box 7000, Leesburg, VA 20177-7000

Telephone (703) 777-0563 • Fax (703) 777-0632

November 30, 2016

County Administrator  
Honorable Members of the Board of Supervisors, and  
Citizens of the County  
County of Loudoun, Virginia

Ladies and Gentlemen:

The Comprehensive Annual Financial Report of the County of Loudoun, Virginia, for the fiscal year ended June 30, 2016, was prepared by the County's Department of Finance and Procurement, Division of Accounting and Financial Analysis, in conformity with generally accepted accounting principles in the United States of America ("GAAP") and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

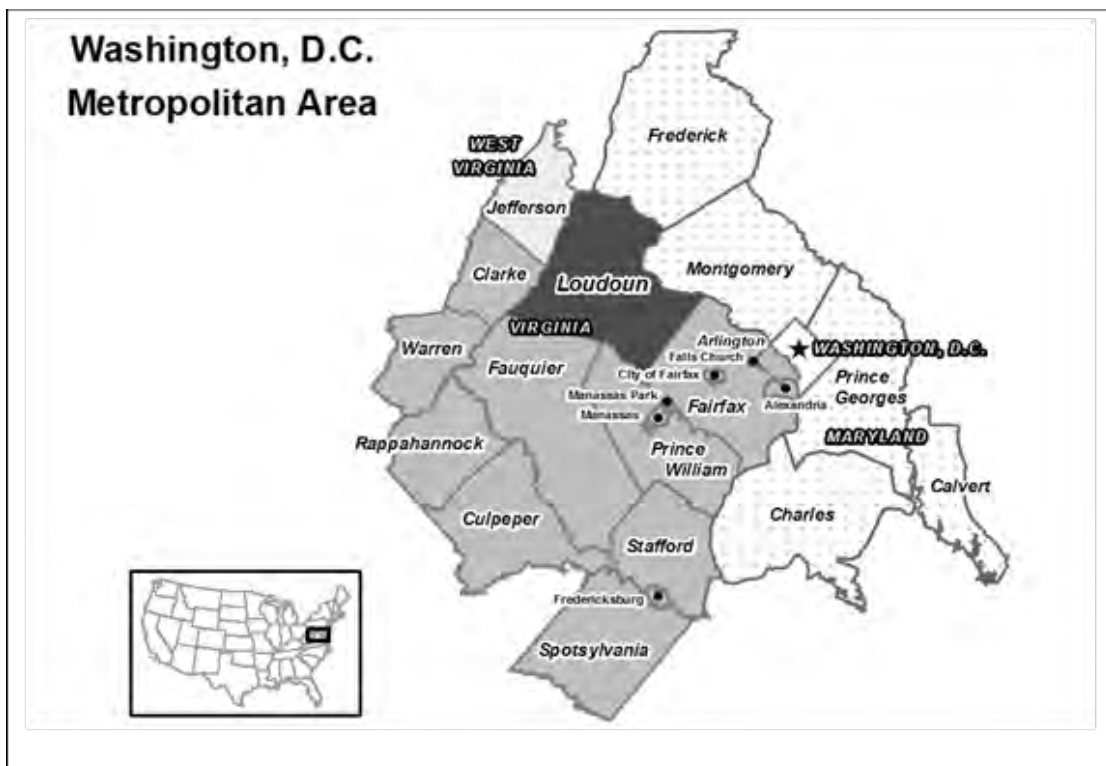
The data as presented is accurate in all material respects, is presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of our various funds, and all disclosures necessary to enable the reader to understand the County's financial activity have been included. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with County management. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with GAAP. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. As management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

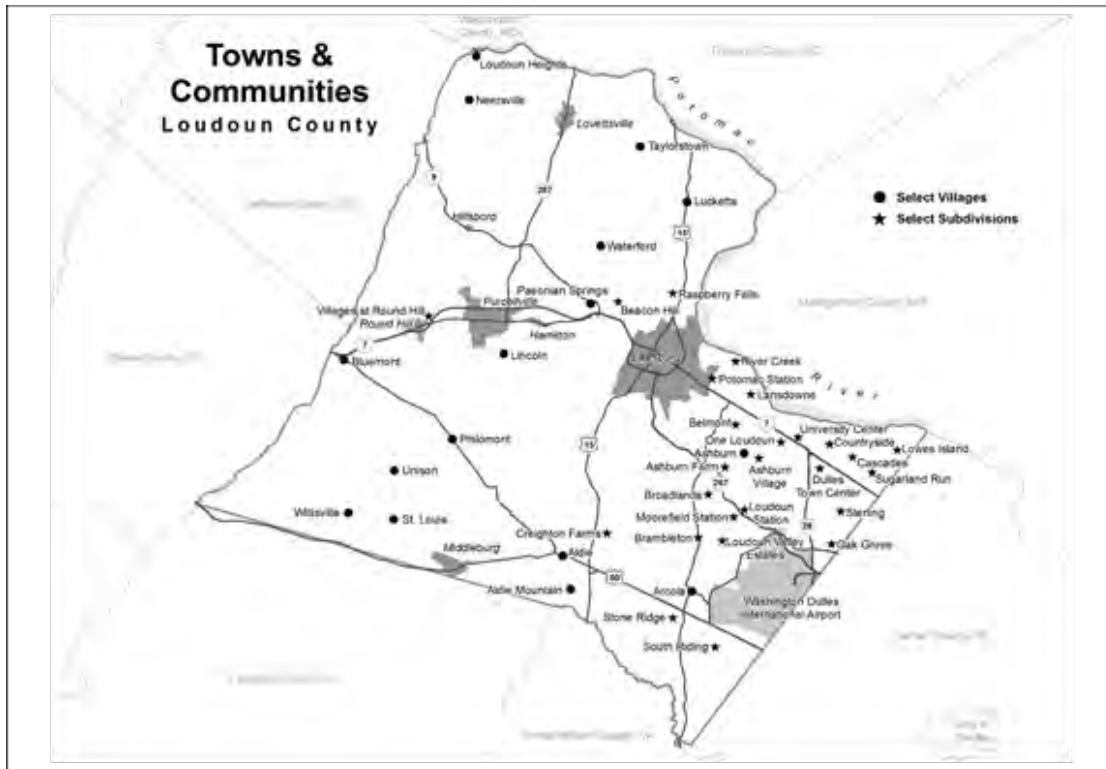
Virginia statute, Section 15.2-2511 of the *Code of Virginia*, requires an annual audit be performed by independent certified public accountants in conformity with GAAP. The accounting firm of Cherry Bekaert LLP was selected by the County's Board of Supervisors to perform the annual financial and compliance audit. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the revised Federal Uniform Grant Guidance. The independent auditor report of the basic financial statements, required supplementary information and other supplementary information is included in the Financial Section of this Report. The independent auditors' report related specifically to the Uniform Grant Guidance, including the Schedule of Expenditures of Federal Awards, findings and recommendations, and the auditors' report on internal control over financial reporting and on compliance and other matters, is included in a separate report. Based upon the audit, the County's independent auditor rendered an unmodified ("clean") opinion on the Loudoun County's financial statements for the year ended June 30, 2016.

GAAP require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent Auditors.

### Profile of the Government

Loudoun County, established in 1757, is located in the northwestern tip of the Commonwealth of Virginia, 25 miles northwest of Washington, DC and is considered to be part of the Northern Virginia and Washington Metropolitan areas. The County is governed by an elected body of representatives called the Board of Supervisors with one Supervisor elected from each of the eight magisterial districts and one At-Large (Chairman) for a term of four years. The Board of Supervisors is the legislative and policy setting body for the County government. A County Administrator is appointed by the Board of Supervisors to act as the Board's agent in the administration and operation of all departments and agencies within the County.





The County provides a full range of municipal services authorized by the Code of Virginia and by the Board of Supervisors. These services include public safety (law enforcement and traffic control, fire and rescue services, corrections and detention, and inspections); health and welfare (health, mental health, developmental services, substance abuse, and social services); education (elementary, secondary, and community college support); parks, recreation and culture (including libraries and museums); community development (planning and zoning, building and development, environmental management, economic development, and cooperative extension); public works (sanitation and maintenance); and general government administration (legislative, general and financial, elections, and judicial). A summary of the financial highlights of these operations for the fiscal year ended June 30, 2016 in the County's various funds is presented in "Management's Discussion and Analysis," which precedes the County's Financial Statements. In addition to General Government activities, the Board of Supervisors exercises, or has the ability to exercise, budgetary control over the County's School System; therefore, elementary and secondary education activities are included within the reporting entity as a discretely presented component unit.

The Board of Supervisors is required to adopt a final budget no later than the date on which the fiscal year begins. The annual budget serves as the foundation for the County's financial planning and control. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual Fiscal Plan and Appropriations Resolution and adopted in the Budget by the County's Board of Supervisors. The County initiates its budget process for the upcoming fiscal year in September to allow for collaboration between County staff, the Board of Supervisors, and the public. Between September and November, the departments submit their budget requests which are then reviewed based on service needs and Board priorities. Activities of the General Fund, most Special Revenue Funds, and the Debt Service Fund are included in the annual Appropriations Resolution and adopted Fiscal Plan. Project length budgets are adopted for Capital Project Funds. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established by individual fund.

Management control is maintained at the department level within each organizational unit. The County also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year end, with the exception of the capital projects, grants and certain restricted funds; however, after review, they generally are re-appropriated as part of the following year's budget.

#### Local Economic Condition and Outlook

Loudoun County continues to maintain financial strength and stability while simultaneously implementing policies to further enhance the high standard of living and “quality of life” enjoyed by its citizens. With an estimated 2016 population of 373,694, Loudoun has consistently ranked among the fastest growing counties in the nation. Meanwhile, the County continues to provide high-quality public services to existing residents and to increase its attractiveness to future residents, while minimizing budgetary increases and tax burdens.

Loudoun's economy continues to diversify and prosper. Once an overwhelmingly rural, agrarian community, the County remains home to nearly 1,400 farms which raise livestock and produce, with much of the latter sold to local consumers. Along with cattle and sheep, the livestock population includes more than 14,000 horses and ponies putting Loudoun at the top of the list of communities comprising Virginia's “horse country”. A 2015 study by the University of Virginia estimated the positive impact on tourism and the local economy of the large number of equestrian events hosted within the County. Alongside this thriving rural economy are business and research enterprises working to extend the boundaries of technology. Orbital ATK, a global leader in aerospace and defense technology, and Telos Corporation, specializing in cyber security, both maintain corporate headquarters in Loudoun. In the life sciences, researchers at the Howard Hughes Medical Institute's Janelia Research Campus seek to decipher the functioning of the human brain and to improve optical imaging technology. Connecting all of Loudoun's enterprises to the global economy is one of the world's largest concentrations of data centers as well as Dulles International Airport.

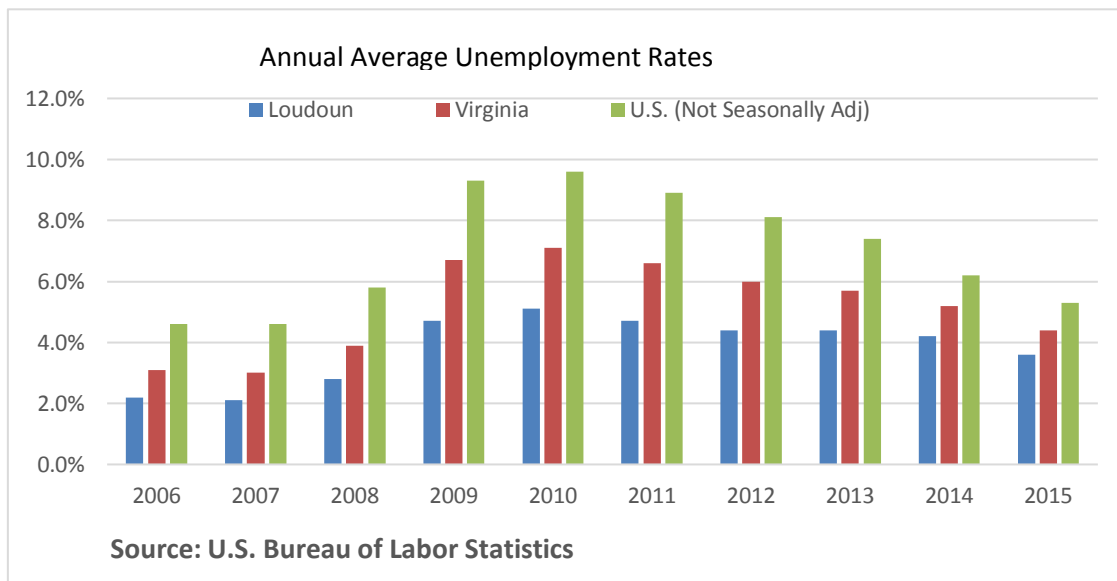
Loudoun's economic success in fiscal year 2016 is evidenced by several developments: The number of new residential dwelling units permitted in fiscal year 2016 exceeded 3,000 for the fifth consecutive year. More than 3.1 million square feet of private-sector, non-residential space was permitted for construction in fiscal year 2016, representing a 19 percent increase over the volume permitted during fiscal year 2015. Of the 3.1 million square feet permitted, approximately 1.8 million represent data center development which continues to be an engine of growth for the County. In addition, the assessed values of both real and personal property continued to increase during 2015. Fiscal 2016 is the fourth consecutive year in which personal property tax revenue on computer equipment, which exceeded \$100 million for the first time, increased by more than 20 percent over the previous year.

Loudoun County experienced a number of noteworthy economic development accomplishments and promising trends in 2015 and early 2016, including a continued dominance in the data center market, increased industry cluster diversification, the attraction of new high-end retail and entertainment options, and emerging agricultural industries. The Loudoun County Board of Supervisors continues to emphasize economic development by monitoring the impact of its policies on the business climate and by providing additional staff resources to support out-of-market business recruitment. Because of Loudoun's diverse economy, the county is less dependent on the federal government than other jurisdictions in Northern Virginia.

In fiscal year 2016, Economic Development successfully recruited or retained seventy-one companies whose eventual expansion or location in Loudoun represents over 2,800 jobs and more than \$2.32 billion of investment. Several other developments during fiscal year 2016 also bode well for Loudoun's future. These include the construction of the Metro Silver Line into Loudoun and of the 778 megawatt Panda Stonewall natural gas-fueled power plant, an

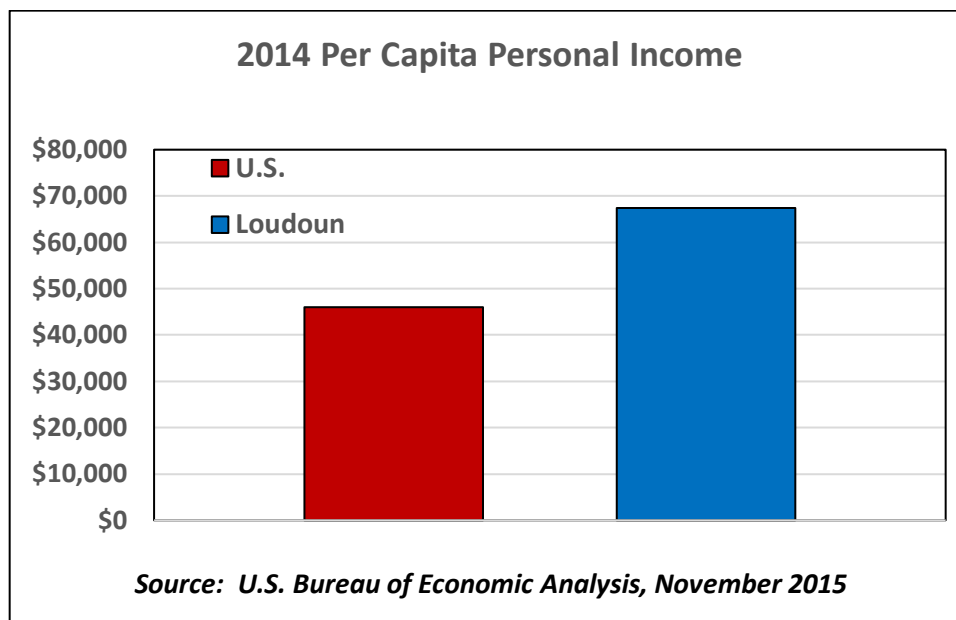


approximately \$600 million investment scheduled for commercial operation in 2017. These factors are responsible for Loudoun's unemployment rate being consistently lower than the national average, as shown in the chart below. The unemployment rate for Loudoun County was 3.2 percent in June 2016, significantly lower than the corresponding U.S. unemployment rate of 5.1 percent.



The County continues to pursue policies that balance residential growth, and the resulting demands for services, with continued expansion of the revenue generating commercial sector. The adopted Economic Development Strategic Plan aligns public and private resources toward shared goals and priorities to enhance the commercial tax base. The Strategic Plan envisions an innovative, globally competitive economy known for its favorable business environment, exceptional quality of place and strong sense of community.

Income levels in Loudoun County continue to exceed the U.S. average by a large margin. The County's median household income has been ranked highest in the nation since 2007 among jurisdictions with populations above 65,000. The U.S. Census Bureau's 2015 American Community Survey reported Loudoun's median household income to be \$125,003, more than twice the nationwide median of \$55,775. Loudoun County's income per person is also substantially above the national average. The chart below compares the most recent per capita personal income data for Loudoun (\$67,384) with the U.S. average (\$46,049).



Education continues to be a priority program, and the benefits are demonstrated in excellent testing results. The County School System has a very favorable teacher/pupil ratio and has obtained recognition for excellence in education. In 2016, thirteen of the County's high schools eligible to be scored by the Washington Post's Challenge Index received the honor of making the national list of challenging schools. The Washington Post Challenge Index is the ratio of the number of students taking Advanced Placement, International Baccalaureate, and Advanced International Certificate of Education tests to the number of graduating seniors.

The County faces the challenges of growth and development with confidence, based on a proven financial track record. The County's successes are shared accomplishments combining skill, experience and dedication of elected officials, appointed officials, County employees, and citizens. Faced with changing resources, especially in Federal spending, taxation, and State assistance, the County must continue to plan and manage these resources carefully. Loudoun County Government will continually fine tune processes to deliver services to ensure the citizens that every possible step has been taken to provide the services they want at the least possible cost.

#### Long-term Financial Planning

Recognizing the critical relationship of development and service demands, the County has sought to offset the negative fiscal impacts of residential development by encouraging a fiscally favorable balance between residential and non-residential development. The County has implemented an integrated approach to fiscal and land use planning. The strategy begins with the comprehensive plan, which establishes the development potential of the County by planning and balancing the residential and non-residential uses of the land.

The Board of Supervisors' Fiscal Policy provides accounting, budgeting, and financial management directives. The policy requires a fund balance Fiscal Reserve equal to 10% of operating revenues in the general and school funds. Any withdrawal of the fiscal reserve requires Board approval, must meet specific criteria identified in the fiscal policy, and include a plan to replenish the fiscal reserve over a period of not more than three years. The policy also places

limits on how much long-term debt the County can incur to build public facilities. These debt guidelines are used in the development of the Capital Improvement Plan each year.

### Major Initiatives

The County's Capital Improvement Program (CIP) budget continues to grow in complexity. The priority projects in the CIP include transportation, public safety and public school projects.

Transportation projects consist of 40% of total CIP expenditures, the largest expenditure category in the capital budget. The Board of Supervisors dedicates two cents of the real property tax rate per annum to assist with the cost of local transportation projects. Examples include the Gloucester Parkway project and the Belmont Ridge Road expansion projects. Additionally, the County has entered into agreements with the Virginia Department of Transportation (VDOT) to provide funding for projects that will be managed and constructed by VDOT. Beginning in FY 2014, additional regional funding for transportation projects is provided to the County annually through House Bill 2313, which established revenue sources dedicated to transportation and transit to reduce traffic congestion in Northern Virginia.

The Board is committed to improving the regional transportation network by bringing the Metrorail Silver Line into Loudoun County. On July, 2012 the Board of Supervisors elected to participate as a Funding Partner in the Dulles Corridor Rapid Transit Project and committed to fund the project using a variety of funding sources. The Metrorail Service District, a special taxing district, was established to help fund construction. In May, 2014 the U.S. Secretary of Transportation approved Loudoun County's application for credit assistance for Loudoun's portion of the Dulles Metrorail Project. This is a low-interest loan of up to \$195.1 million through the Transportation Infrastructure Finance and Innovation Act (TIFIA).

As part of the TIFIA agreement, the County agreed to finance the cost of design and construction for three parking facilities; one at Loudoun Gateway (Route 606) Station, and two at the Ashburn (Route 772) Station. Using the Virginia Public Private Transportation Act (PPTA), the Board approved a comprehensive agreement with an affiliate of Comstock Partners for an Ashburn (Route 772) North garage on December, 2015. On May, 2016, the Board voted to terminate negotiations with a second firm, and directed the County's procurement office to prepare and issue a solicitation for the remaining two parking facilities through a design-build contract.

In response to approval of the Metrorail project, Moody's, one of the nation's top bond rating agencies, issued a "credit positive" statement for Loudoun in recognition of the expected new commercial and residential growth resulting from the extension of metro into the county. The extension of the Metrorail Silver Line includes the construction of three Metro Stations in the County. The CIP also programs funding for needed road projects to provide access to the future Metro Stations and Park and Ride facilities in the County. Examples include funding for the Route 606 widening project, Sterling Boulevard Extension, and the Route 772 Transit Station Connector Bridge.

Projects completed in FY 2016 include Belfort Road Improvements, a segment of Crosstrail Boulevard, East Gate Park and Ride Lot, River Creek Parkway Trail, Byrne's Ridge Park Lights; ECC/E911 Communication Center, Sycolin Road and Loudoun Center Place Intersection, Brambleton district Park, Franklin Park Field Lighting, Mirror Ridge Group Residence build-out, and Pleasant Valley Drive and Braddock Road Intersection, the purchase two buildings for General Government Office Space, and Fire and Rescue vehicles and equipment. Many transportation, public safety and park and recreation projects are in development such as Alder School Road Improvements, Intersection Improvements, the Route 772 Connector Bridge necessary for the Ashburn (772) Metrorail Station, a new Animal Services Facility, the construction and renovation of the Court Complex, Hal and Bernie Hanson Regional Park, and the Dulles South Multi-Purpose Center.

In addition to construction costs, the County must plan for the additional operating costs to staff, operate, and maintain the new facilities. Additional government facilities and new schools are scheduled to be constructed and opened during the next several years.

During FY 2016, a Stakeholders Committee composed of various citizens and representatives of key stakeholder groups within the county, began working with Loudoun County staff and consultants to help guide a plan development process and provide critical feedback and direction on a new comprehensive plan. Envision Loudoun, an eighteen-month initiative to address growth, land use, transportation, community facilities and amenities, economic development and fiscal management in the County will begin in FY 2017. "Envision Loudoun" will result in a new comprehensive plan that will serve as Loudoun County government's guiding document for land use and development for the foreseeable future.

#### Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Loudoun, Virginia, for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2015. This Certificate of Achievement is a prestigious national award recognizing adherence to the highest standards for preparation of a state and local government financial report.

In order to be awarded a Certificate of Achievement, a governmental unit must publish a Comprehensive Annual Financial Report that clearly communicates the unit's financial story and whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and the applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The current report is designed and prepared to conform to the Certificate of Achievement Program requirements, and it will be submitted to the GFOA to determine its eligibility for another certificate.

The County continues to maintain a strong financial position through responsible and progressive management of financial operations and through sound accounting and financial reporting practices.

The current accounting and financial reporting standards represent significant enhancements and enable increased efficiency in governmental accounting and financial reporting. The County continues to support the achievements in these areas by the Governmental Accounting Standards Board and the Government Finance Officers Association. These practices provide, in staff's opinion, a sound framework for a truly "comprehensive" annual financial report.

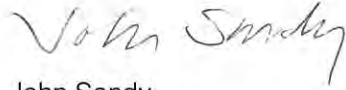
The timely preparation of this Comprehensive Annual Financial Report could not have been accomplished without the effort of the entire staff of this Department's Division of Accounting and Analysis within the Controller's Office. Special recognition goes to Accounting Manager, Lisa Cockrell and to the staff of the Financial Reporting division, for their technical expertise, review and dedicated service in the preparation of this Comprehensive Annual Financial Report. Their continued and diligent efforts towards upgrading the County's Financial Accounting and Management Information System, Fixed Asset Accounting and Control System, and many other ancillary financial systems, have led substantially to the improved quality of financial information being reported to management, the County Administrator, and the Board of Supervisors.

It is only appropriate to express appreciation to all other members of the Controller's Office of the Department of Finance and Procurement, to the County's independent auditors and to all County agencies that assisted and contributed to the preparation of this Report. Thanks are also due to the members of the Board of Supervisors and the County Administrator for their interest and

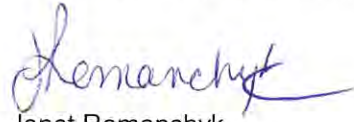
County Administrator  
Honorable Members of the Board of Supervisors, and  
Citizens of the County

continued support in planning and implementing efficient yet effective financial operations for the County. This support and cooperation represents responsible and progressive financial management for the County. Staff will strive to maintain the direction set by the Board to maintain an equitable balance between available resources and the demand for high quality services.

Respectfully submitted,

A handwritten signature in black ink that reads "John Sandy". The signature is written in a cursive, flowing style.

John Sandy  
Assistant County Administrator

A handwritten signature in blue ink that reads "Janet Romanchyk". The signature is written in a cursive, flowing style.

Janet Romanchyk  
Controller



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

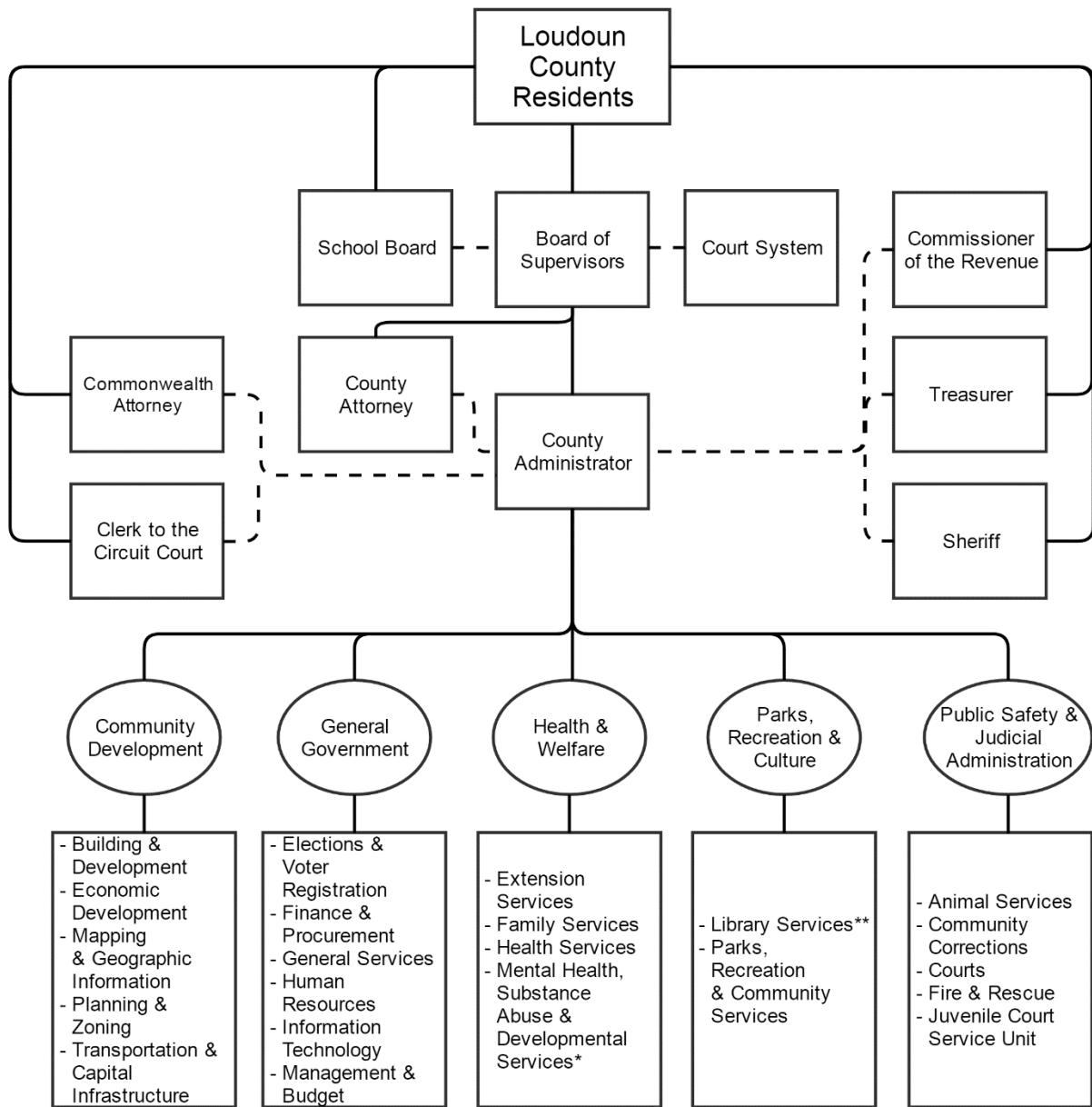
**County of Loudoun  
Virginia**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2015**

Executive Director/CEO

# ORGANIZATIONAL CHART



Board of Supervisors Standing Committees	Departmental Policy Boards
Finance, Government Operations, and Economic Development	Community Services Board*
Joint Board/School Board	Library Board of Trustees**
Transportation and Land Use	

# **COUNTY OF LOUDOUN, VIRGINIA**

## **Directory of Officials**

**June 30, 2016**

### **BOARD OF SUPERVISORS**

Phyllis J. Randall, Chair, At-Large  
Ralph M. Buona, Vice Chair, Ashburn District  
Suzanne M. Volpe, Algonkain District  
Tony R. Buffington, Jr., Blue Ridge District  
Geary M. Higgins, Catoctin District  
Matthew F., Letourneau, Dulles District  
Kirsten C. Umstattd, Leesburg District  
Koran T. Saines, Sterling District

### **SCHOOL BOARD**

Eric D. Hornberger, Chairman, Ashburn District  
Brenda L. Sheridan, Vice Chairman, Sterling District  
Debbie K. Rose, Algonkian District  
Beth A. Huck, At Large Member  
Jill A. Turgeon, Blue Ridge District  
Joy R. Maloney, Broad Run District  
Eric J. DeKenipp, Catoctin District  
Jeff E. Morse, Dulles District  
Tom C. Marshall, Leesburg District

### **CONSTITUTIONAL OFFICERS**

Robert S. Wertz, Commissioner of Revenue  
James E. Plowman, Commonwealth's Attorney  
Gary M. Clemens, Clerk of Circuit Court  
Michael L. Chapman, Sheriff  
H. Roger Zurn, Jr., Treasurer

### **ADMINISTRATIVE OFFICERS**

Tim Hemstreet, County Administrator  
Charles Yudd, Deputy County Administrator  
John Sandy, Assistant County Administrator  
Robert Middaugh, Assistant County Administrator  
Julie Grandfield, Assistant County Administrator  
Kenny Young, Assistant County Administrator  
Leo P. Rogers, County Attorney



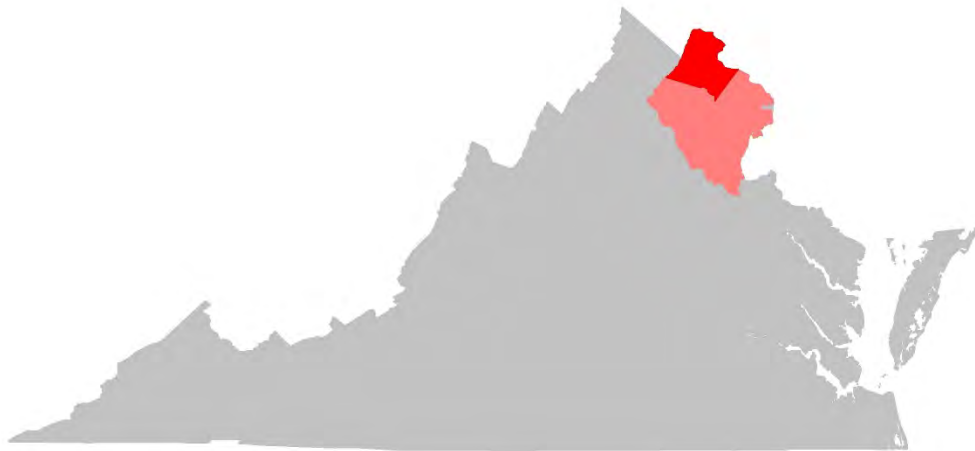
## COUNTY OF LOUDOUN

The County of Loudoun is a historic, transitional rural county that was established in 1757 and named for John Campbell, Fourth Earl of Loudoun. The County is located in the Northwestern tip of the Commonwealth of Virginia just west and north of Washington, D.C., and is considered to be part of the Northern Virginia and Washington Metropolitan areas. The County is approximately 517 square miles in size, covering 330,880 acres of land area, with a current population of approximately 373,694 and is one of the fastest growing jurisdictions in the Washington Metropolitan Area.

The County is governed by an elected body of representatives called the Board of Supervisors, with one Supervisor elected from each of the eight magisterial districts and one At-Large (Chairman) for a term of four years. The Board of Supervisors is the legislative and policy setting body for the County government, oversees general governmental operations, and is responsible for appropriating funds for the various County departments and agencies. A County Administrator is appointed by the Board of Supervisors to act as the Board's agent in the administration and operation of these departments and agencies. The Board also appoints the Planning Commission, the Library Board, the Family Services Board, as well as other advisory boards, commissions, committees, etc.

In addition to the Board of Supervisors, other elected County officials include: the School Board, the Commonwealth Attorney, Commissioner of Revenue, Treasurer, Sheriff, and Circuit Court Clerk. The judges of the Circuit Court, General District Court, and the Juvenile and Domestic Relations District Court are elected by the State Legislature.

Loudoun County has the conveniences associated with urban areas, while maintaining a comfortable "country-living" atmosphere. The eastern portion of the County borders with Fairfax County, Virginia, and contains the rapidly expanding Dulles International Airport. This portion of the County has grown into a densely populated area with easy access to the Washington Metropolitan Area. This part of the County portrays the "suburban life", with many modern conveniences, easy access to schools, airport, shopping centers, etc. While Eastern Loudoun, experiencing heavy development pressures from the Washington Metropolitan Area, represents the new urban growth, Western Loudoun, bordered by the Blue Ridge Mountains to the west and Potomac River to the north, displays a rural and historical environment. The western portion of the County is made up of small towns and villages surrounded primarily by farmland and open spaces. This portion of the County is sparsely populated and represents the past, with many of the oldest historical sites in the United States. The combination of Eastern and Western Loudoun, of urban growth and historic stability, makes Loudoun County one of the most desirable counties in Northern Virginia for establishing businesses and residencies.





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# Financial Section

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**Ariel View of One Loudoun in Eastern Loudoun**

The Financial Section includes the report of the independent auditor, management's discussion and analysis, basic financial statements with accompanying notes, required supplementary information, and other supplementary information.



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# Report of Independent Auditor

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**View of Rural Western Loudoun**



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## **Report of Independent Auditor**

To the Honorable Members of the Board of Supervisors  
Loudoun County, Virginia

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Loudoun, Virginia (the "County"), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards and specifications require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Loudoun, Virginia, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Emphasis of Matter***

As discussed in Notes I(O) and XXIII to the financial statements, the County adopted new accounting guidance, GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*. As a result, the fund balance of the General Fund and the net position of the Governmental Activities as of June 30, 2015 have been restated. Our opinions are not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule, and pension and other postemployment benefits' schedules on pages 19-27, 75-76 and 77-81, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The Introductory Section, Other Supplementary Information, and Statistical Section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Other Supplementary Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Other Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2016, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Tysons Corner, Virginia  
November 30, 2016



# Management's Discussion and Analysis

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Construction of Silver Line Metrorail



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**COUNTY OF LOUDOUN, VIRGINIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2016**

The following discussion and analysis of the County of Loudoun, Virginia's (the County) financial performance provides an overview of the County's financial activities for the fiscal year ended June 30, 2016. Please read it in conjunction with the transmittal letter at the front of this report and the County's financial statements, which follow this section.

**FINANCIAL HIGHLIGHTS FOR FY 2016**

The total reporting entity, which includes the School Board component unit, has positive net position of \$1.54 billion at June 30, 2016, which represents a 13.3% increase over FY 2015 net position, as restated. (Exhibit I).

On a government-wide basis, the County's Governmental Activities had expenses net of program revenues of \$1.26 billion, general revenues of \$1.31 billion, resulting in an increase in net position of \$52.0 million over FY 2015. (Exhibit II)

As of June 30, 2016, the County's total governmental funds reported combined fund balances of \$885.9 million, an increase of \$59.6 million. Approximately 50.8%, or \$449.7 million is unrestricted and available to meet the County's current and future needs. (Exhibit III & Exhibit V)

At the end of the current fiscal year, the unassigned fund balance of \$55.7 million was 19.5% of total general fund balance compared to 11.7% from the prior fiscal year. This increase is primarily due to greater revenues and expenditure savings at the end of the fiscal year.

Total General Fund revenues, including other financing sources and uses, exceeded final budget expectations by \$57.2 million. General fund expenditure savings totaled \$30.6 million compared to final budget expectations. (Exhibit XIII)

In November 2015, the County sold \$75.4 million of Public Facility Lease Revenue Bonds, Series 2015, to provide funding for the acquisition, design, construction and equipping of ongoing and new projects for public safety facilities, transportation, government office space, computer system upgrades and landfill projects.

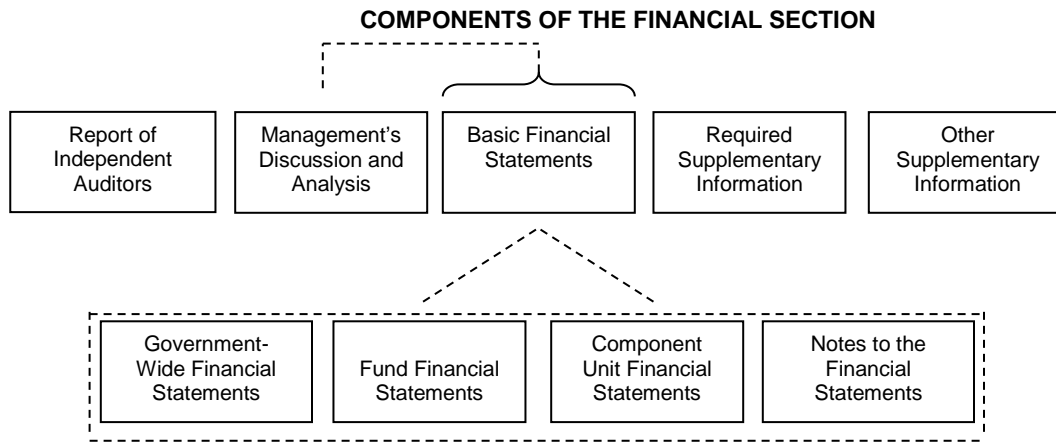
During June 2016, the County sold \$148.0 million in General Obligation Bonds, which included \$86.6 million of new money and \$61.4 million of refunding proceeds. The new proceeds provided funding for the design, construction, renovating and equipping a variety of school facilities, public safety facilities and apparatus, park and recreation facilities, library facilities and transportation projects. In addition to the refunding bond proceeds, the County used \$12.4 million of unspent bond proceeds to refund its General Obligation series 2007B and series 2009A for a net present value savings of \$9.4 million or 12.5%.

In June 2016, the County sold \$35.8 million in Public Facility Lease Revenue bonds, which included \$13.6 million of new money and \$22.2 million of refunding proceeds. The new proceeds were used for ongoing and new projects related to public safety facility projects, general government office space; expansion of the Courts complex, a youth shelter renovation and a group residence and the Route 772 Metro station Stormwater management facility. The refunding proceeds were used to refund series 2008 Virginia Resource Authority bonds for a net present value savings of \$3.2 million or 14.0%.

**USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT**

This Comprehensive Annual Financial Report consists of three sections: introductory, financial, and statistical. As the following chart shows, the financial section of this report has five components – *report of independent auditors, management's discussion and analysis* (this section), *the basic financial statements, required supplementary information, and other supplementary information*.

The County's financial statements present two kinds of statements, each with a different snapshot of the County's finances. The focus of the financial statements is on both the County as a whole (government-wide) and the fund financial statements. The government-wide financial statements provide both long-term and short-term information about the County's overall financial status. The fund financial statements provide information on a current financial resource basis only and focus on the individual parts of the County government, reporting the County's operations in more detail than the government-wide statements. Both perspectives (government-wide and fund) allow the user to address relevant questions, broaden the basis of comparison (year to year or government to government) and enhance the County's accountability. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements



## GOVERNMENT-WIDE STATEMENTS

One of the most important questions asked about the County's finances is, "Is the County as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities, which are the government-wide statements, report information about the County as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the County's Net Position and changes in them. One can think of the County's Net Position – the difference between assets and deferred outflows and liabilities and deferred inflows – as one way to measure the County's financial health, or financial position. Over time, increases or decreases in the County's Net Position are one indicator of whether its financial health is improving. However, other nonfinancial factors will need to be considered, such as changes in the County's property tax base, condition of the County's transportation network, and population demographics in order to assess the overall health of the County.

In the Statement of Net Position and the Statement of Activities, we divide the County into the following:

Governmental activities – All of the County's basic services are reported here: public safety (law enforcement and traffic control, fire and rescue services, corrections and detention, and inspections); health and welfare (health, mental health, disability services, and social services); education (elementary, secondary, and community college support); parks, recreation and cultural (including libraries and museums); community development (planning, zoning, housing, environmental management, and cooperative extension); limited public works (sanitation and waste removal and maintenance); and general government administration (legislative, general and financial, elections and judicial). Property taxes, other local taxes, and state and federal grants finance most of these activities.

Component unit – The County includes a separate legal entity in its report – the Loudoun County School Board. Although legally separate, the "component unit" is included because the County is financially accountable and provides operating and capital funding for the Loudoun County Public Schools.

## FUND FINANCIAL STATEMENTS

Traditional users of government financial statements find the fund financial statement presentation more familiar. The fund financial statements provide more information about the County's most significant funds – not the County as a whole.

The County has three kinds of funds:

Governmental funds – Most of the County's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental funds' statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided in an accompanying schedule to the governmental funds statement that explains the relationship (or differences) between them.

Proprietary funds – These funds are used to account for operations that are financed in a manner similar to private business enterprises. The proprietary fund measurement focus is upon determination of net income, financial position, and cash flows. Cash and temporary investments related to these proprietary funds are all highly liquid cash equivalents.

The County's proprietary fund types consist of the Central Services Fund and the Self-Insurance Fund, both of which are considered to be Internal Service Funds. The operations of these funds are generally intended to be self-supporting and the results are included in the Governmental Activities in the entity-wide financial statements.

The Central Services Fund is used to account for the financing of goods or services provided among County departments on a cost-reimbursement basis and include such activities as central duplicating, telephone, mail, support, and vehicle services. The Self-Insurance Fund is used to account for the accumulation of resources to pay for losses incurred by the partial, or total retention of risk of loss rather than transferring the risk to a third party through the purchase of commercial insurance, and includes such uninsured risks as health, workers' compensation, and vehicle self-insurance programs.

Fiduciary funds – The County is the trustee, or fiduciary, for its employees' pension plans. It is also responsible for other assets that – because of a trust arrangement – can be used only for the trust beneficiary. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The County excludes these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operations.

## FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

### Statement of Net Position:

The following table reflects the condensed Statement of Net Position (Exhibit I) in comparative format:

**Table 1**  
**Summary Statement of Net Position**  
**Comparison as of June 30, 2016 and 2015 (thousands)**

	Primary Government			Component Unit-Schools		
	FY 16	FY 15 Restated	Increase/ (Decrease)	FY 16	FY 15	Increase/ (Decrease)
Current and Other Assets	\$ 1,766,970	\$ 1,614,656	\$ 152,314	\$ 273,227	\$ 213,511	\$ 59,716
Capital Assets	1,201,001	1,109,060	91,941	1,608,718	1,551,472	57,246
Total Assets	<b>\$ 2,967,971</b>	<b>\$ 2,723,716</b>	<b>\$ 244,255</b>	<b>\$ 1,881,945</b>	<b>\$ 1,764,983</b>	<b>\$ 116,962</b>
Total Deferred Outflows of Resources	<b>\$ 25,998</b>	<b>\$ 18,873</b>	<b>\$ 7,125</b>	<b>\$ 117,749</b>	<b>\$ 93,192</b>	<b>\$ 24,557</b>
Other Liabilities	\$ 306,652	\$ 234,536	\$ 72,116	\$ 124,403	\$ 118,214	\$ 6,189
Long-term Liabilities	1,439,599	1,322,233	117,366	969,123	911,712	57,411
Total Liabilities	<b>\$ 1,746,251</b>	<b>\$ 1,556,769</b>	<b>\$ 189,482</b>	<b>\$ 1,093,526</b>	<b>\$ 1,029,926</b>	<b>\$ 63,600</b>
Total Deferred Inflows of Resources	<b>\$ 545,797</b>	<b>\$ 535,879</b>	<b>\$ 9,918</b>	<b>\$ 66,010</b>	<b>\$ 117,226</b>	<b>\$ (51,216)</b>
<b>Net Position</b>						
Net Investment in Capital Assets	\$ 996,818	\$ 884,139	\$ 112,679	\$ 1,583,600	\$ 1,527,139	\$ 56,461
Restricted	318,361	337,072	(18,711)	3,381	29	3,352
Unrestricted	(613,258)	(571,270)	(41,988)	(746,822)	(816,145)	69,323
<b>Total Net Position</b>	<b>\$ 701,921</b>	<b>\$ 649,941</b>	<b>\$ 51,980</b>	<b>\$ 840,159</b>	<b>\$ 711,023</b>	<b>\$ 129,136</b>

This overall change in both the County and School's Net Position relates to various reasons as outlined below:

The increase in the Primary Government's Current and Other Assets is due to a combination of factors. The first factor is the net increase in cash related accounts. Cash, cash equivalents and investments rose by \$117.8 million. Contributing the increase in cash are unspent bond proceeds of \$32.5 million, an increase in cash due to higher property tax collections, and an increase of interest on investments. Net receivables increased by \$34.0 million, primarily due to taxes not yet due. The increase of \$91.9 million of net Capital Assets is due to increases in the projects under construction, donations of land, the addition of buildings and infrastructure offset by depreciation. Deferred outflows of resources increased due to the advance refunding of debt resulting in a deferred loss that will be amortized over the remaining life of the refunded debt. The increase in Long-term Liabilities is due primarily to new debt issued in 2016, the drawdown of the County's federal Transportation Infrastructure Finance and Innovation Act (TIFIA) loan for the

Metrorail extension, and the net pension obligation offset by a reduction in the County's OPEB obligation. Please refer to Notes VIII and XIV of the notes to the financial statements for detailed information. Other Liabilities increased \$72.1 million which is primarily the result of an increase in the amount Due to Component Unit-Schools, offset by other modest increases and decreases in other accounts. The increase in deferred inflows of resources is due to higher unavailable revenue from taxes not yet due, offset by a reduction in the gain on pension investments and modest increase in prepaid taxes and the amortization of deferred gain on refunding debt.

The increase in the component unit-schools' Current and Other Assets of \$59.7 million is due primarily to higher contributions from the County to the Component Unit - Schools. The increase in capital assets is due to investments in capital assets with the largest portion related to the addition of new buildings. Please refer to Note VIII of the notes to the financial statements for detailed information. The increase in Long-Term Liabilities is primarily due to higher net pension obligations of \$59.7 million offset by a decrease in the School's OPEB liability of \$3.1 million and small increases and decreases in other accounts. The increases in deferred outflows of resources and deferred inflows of resources are due to the deferral of pension contributions made after the measurement date of the net pension obligation and a deferred gain on pension investment earnings, respectively.

### **Statement of Activities**

The following chart reflects the changes in Net Position (Exhibit II) in comparative format:

**Table 2**  
**Changes in Net Position**  
**Comparison for the years ended June 30, 2016 and 2015 (thousands)**

	Primary Government			Component Unit-Schools		
	FY 16	FY 15	Increase/ (Decrease)	FY 16	FY 15	Increase/ (Decrease)
<b>REVENUES</b>						
<b><u>Program Revenues:</u></b>						
Charges for Services	\$ 71,277	\$ 68,997	\$ 2,280	\$ 19,252	\$ 18,358	\$ 894
Operating Grants and Contributions	103,483	86,574	16,909	30,718	29,149	1,569
Capital Grants and Contributions	48,214	64,994	(16,780)	106,240	141,662	(35,422)
<b><u>General Revenues:</u></b>						
Property Taxes	1,053,831	976,628	77,203	-	-	-
Other Taxes	173,957	175,237	(1,280)	-	-	-
Grants and Contributions not Restricted to Specific Programs	57,189	58,110	(921)	289,710	275,350	14,360
Other	25,456	9,603	15,853	7,146	7,436	(290)
Payment from County	-	-	-	679,459	610,280	69,179
<b>Total Revenues</b>	<b>\$ 1,533,407</b>	<b>\$ 1,440,143</b>	<b>\$ 93,264</b>	<b>\$ 1,132,525</b>	<b>\$ 1,082,235</b>	<b>\$ 50,290</b>
<b>EXPENSES</b>						
General Government Administration	\$ 78,873	\$ 76,493	\$ 2,380	\$ -	\$ -	\$ -
Judicial Administration	15,514	13,912	1,602	-	-	-
Public Safety	190,280	174,527	15,753	-	-	-
Public Works	47,130	44,805	2,325	-	-	-
Health and Welfare	92,464	85,297	7,167	-	-	-
Parks, Recreation and Culture	69,415	56,609	12,806	-	-	-
Community Development	176,054	115,226	60,828	-	-	-
Education	775,002	754,055	20,947	1,003,389	975,412	27,977
Interest and Other Debt Service Charges	36,695	36,439	256	-	-	-
<b>Total Expenses</b>	<b>\$ 1,481,427</b>	<b>\$ 1,357,363</b>	<b>\$ 124,064</b>	<b>\$ 1,003,389</b>	<b>\$ 975,412</b>	<b>\$ 27,977</b>
<b>Increase (decrease) in net position before special item</b>	<b>\$ 51,980</b>	<b>\$ 82,780</b>	<b>\$ (30,800)</b>	<b>\$ 129,136</b>	<b>\$ 106,823</b>	<b>\$ 22,313</b>
Special Item-Return of fiscal reserve from component unit	\$ -	\$ 26,765	\$ (26,765)	\$ -	\$ (26,765)	\$ 26,765
<b>Change in Net Position</b>	<b>\$ 51,980</b>	<b>\$ 109,545</b>	<b>\$ (57,565)</b>	<b>\$ 129,136</b>	<b>\$ 80,058</b>	<b>\$ 49,078</b>
Net Position at Beginning of Year	630,898	592,747	38,151	711,023	1,414,214	(703,191)
Prior Period Adjustments	19,043	(71,394)	90,437	-	(783,249)	783,249
Net Position Beginning of Year, Restated	649,941	521,353	128,588	711,023	630,965	80,058
<b>Net Position End of Year</b>	<b>\$ 701,921</b>	<b>\$ 630,898</b>	<b>\$ 71,023</b>	<b>\$ 840,159</b>	<b>\$ 711,023</b>	<b>\$ 129,136</b>

## **Revenues**

For the fiscal year ended June 30, 2016, the Primary Government revenues totaled approximately \$1.533 billion, an increase of \$93.3 million from the prior fiscal year.

Property tax revenue, the County's largest revenue source, increased by approximately \$77.2 million from the prior fiscal year due to the increase in real property taxes; personal property taxes collected from higher vehicle values and higher computer equipment tax from the growth of data centers; and penalties and interest. Property tax revenue also includes monies received from the Commonwealth of Virginia for the Personal Property Tax Relief Act of 1998 (PPTRA). The decrease in other local taxes is primarily due to lower gas taxes as a result of the decrease in gas prices. This decrease is offset by an increase in sales taxes as a result of an improving economy, and an increase in interest and investment fees. The increase in operating grants and contributions is due to the pass-through of state funds for road and interchange construction. The decrease in operating grants and contributions is due to lower cash proffers from developers related to stormwater. The decrease in the special item is related to a one-time return of fiscal reserve to the Primary Government from the Component Unit in fiscal year 2015 to accurately reflect the custody of the fiscal reserve on the Primary Government's statements.

## **Expenses**

For the fiscal year ended June 30, 2016, expenses for governmental activities total \$1.48 billion.

Education continues to be one of the County's highest priorities and commitments. Of the total expenses, \$775.0 million represents education expenses and a transfer in anticipation of bond proceeds to schools for capital projects. Education expenses as part of governmental activities in fiscal year 2016 increased by \$20.9 million from the previous fiscal year. This increase is comprised primarily of an increase in the transfer to the Component Unit-Schools for operating expenses offset with lower contributions for capital projects. The County holds bond proceeds for the Schools and reimburses the Schools as projects are constructed. The Increase in Community Development expenses of \$60.8 million is primarily due to an increase in payments related to the Metrorail construction and road construction projects. The remaining increase of \$42.3 million for primary government expenses is due to an increases in capital outlay and increases in operations related to salaries, benefits and, enhancements to support existing and new facilities.

## **Financial Analysis of the County's Funds**

For the fiscal year ended June 30, 2016, the governmental funds reflect a combined fund balance of \$869.4 million as illustrated below (refer to Exhibit III).

**Table 3  
Governmental Funds  
Financial Analysis of Fund Balance**

	Fiscal Year 2016				
	General	Capital Projects	Debt Service	Non-Major Governmental	Total
Non-Spendable	\$ 2,236,771	\$ -	\$ -	\$ 2,398,345	\$ 4,635,116
Restricted	-	236,776,625	-	194,709,363	431,485,988
Committed	194,062,295	100,790,121	-	7,975,728	302,828,144
Assigned	34,321,280	12,398,216	40,529,852	3,953,728	91,203,076
Unassigned	55,710,322	-	-	-	55,710,322
<b>Total Fund Balances</b>	<b>\$ 286,330,668</b>	<b>\$ 349,964,962</b>	<b>\$ 40,529,852</b>	<b>\$ 209,037,164</b>	<b>\$ 885,862,646</b>

In FY 2016, the County transferred approximately \$20.0 million of proceeds from the sale of land received in a prior fiscal year to Loudoun County Public Schools for the construction of the Academies of Loudoun, as planned in the Capital Improvement Program. The County additionally used \$4.7 million of fund balance for the implementation of new a Payroll and Human Resource enterprise system. As a result, the general fund balance decreased by \$25.0 million from the prior fiscal year. The adopted fiscal year 2016 budget forecasted a net decrease in the fund of \$63.1 million. Higher collections than projected in general property tax revenues, and lower than forecasted expenses contributed to the ending fund balance.

The County maintains a fiscal reserve in the committed portion of fund balance equal to no less than 10% of the County and Component Unit, Schools' operating revenues. In FY 2016, the fiscal reserve increased by \$10.2 million.

The Capital Projects fund balance increased \$98.5 million from the prior fiscal year. This increase is primarily attributable to the transfer of resources from the General, Transportation District Fund and Public Facilities Funds for ongoing capital projects, higher intergovernmental revenues for road projects, and unspent bond proceeds.

Debt Service fund balance increased by \$2.4 million from the prior year due to unused bond premium and return of unspent bond proceeds.

Non-major Governmental fund balances decreased by \$16.3 million from the prior fiscal year. This decrease is mostly attributed to transfers from the Public Facilities Fund and the Transportation District Fund for capital construction offset by higher contributions from developers.

#### **General Fund Budgetary Highlights**

**Table 4  
General Fund Budget to Actual**

	Fiscal Year 2016		
	Original Budget	Amended Budget	Actual
<b><u>Revenues and Transfers In:</u></b>			
Taxes	\$ 1,117,069,100	\$ 1,117,069,100	\$ 1,179,885,645
Intergovernmental	88,316,447	95,736,080	90,938,930
Other	87,258,383	89,220,140	88,364,522
<b>Total Revenues and Transfers In</b>	<b>\$ 1,292,643,930</b>	<b>\$ 1,302,025,320</b>	<b>\$ 1,359,189,097</b>
<b><u>Expenditures and Transfers Out:</u></b>			
Expenditures	\$ 1,112,990,134	\$ 1,174,996,600	\$ 1,144,411,022
Transfers	242,732,115	239,829,876	239,827,070
<b>Total Expenditures and Transfers Out</b>	<b>\$ 1,355,722,249</b>	<b>\$ 1,414,826,476</b>	<b>\$ 1,384,238,092</b>

The final amended budget for revenues and transfers in exceeded the original budget by \$9.4 million. This was primarily due to the anticipation of greater charges for services, grant funding from the state and federal government. The final amended budget appropriations, which include expenditures and transfers out, exceeded the original budget by \$59.1 million. This was primarily due to the re-appropriation of 2015 unassigned fund balance, the timing difference between the adoption of the original budget and the encumbrances carried over at the end of the fiscal year as part of the amended budget, and the use of approximately \$20.0 million of prior year assigned fund balance designated for a school construction project.

Actual revenues and transfers in exceeded amended budget amounts by \$57.2 million while actual expenditures and transfers out were less than the amended budget amounts by \$30.6 million. Highlights of the comparison of amended budget to actual figures for the fiscal year ended June 30, 2016, include the following:

- Actual tax revenues exceeded amended budget amounts by \$62.8 million. Increases in personal property taxes of \$48.9 million, real and personal public service corporation taxes of \$4.8 million, penalties and interest of \$4.7 million, and local sales and use tax of \$5.8 million were offset by a decrease in intergovernmental revenue of \$4.8 million. All other local taxes (e.g., consumer utility tax, business license taxes, motor vehicle licenses, taxes on recordation and wills, and hotel and motel room taxes) had modest positive or negative variances. The increase in personal property is due to the combination of increasing vehicle values in the county and revenue derived from computer equipment and furniture and fixtures within the growing data centers located in the county.
- Actual other revenues were less than the amended budget amounts by \$0.9 million due to decreases in charges for services of \$1.7 million and recovered costs of \$1.0 million, offset by additional revenue in permits and licenses of \$1.4 million, revenue from use of money and property of \$0.9 million and modest variances in other revenues.
- Actual expenditures and transfers were \$30.6 million less than amended budget amounts or 2.2%.
- Actual public safety expenditures were below budget by \$10.0 million due to vacancy savings, lower than budgeted internal service charges for vehicle fuel and maintenance, unspent grant funds, and overall savings in material and supplies and contractual services.
- Expenditures in health and welfare were \$8.9 million less than budget due primarily to vacancies, contractual service savings, and unspent grant funds.



- Expenditures in Parks, Recreation and Cultural, and Community Development were \$9.1 million less than final budget due to vacancy savings, savings in utilities and fuel, economic development incentive funds carried over and savings in contractual services.
- Actual expenditures in all other functions of the general government were less than budgeted amounts due to cost savings.

### **Capital Assets**

At the end of fiscal year 2016, the County Primary Government had invested approximately \$1.2 billion in a variety of capital assets as reflected in the following schedule, which represents a net increase of \$91.9 million. More detailed information on capital assets can be found in Note VIII of the notes to the financial statements.

**Table 5  
Governmental Funds  
Change in Capital Assets**

	<b>Balance At June 30, 2015</b>	<b>Net Additions/Deletions</b>	<b>Balance At June 30, 2016</b>
<b><u>Capital Assets:</u></b>			
Land	\$ 140,905,507	\$ 5,909,990	\$ 146,815,497
Buildings	425,824,943	34,023,642	459,848,585
Improvements Other Than Buildings	40,574,912	8,965,490	49,540,402
Equipment	188,094,029	(2,138,998)	185,955,031
Infrastructure	573,828,994	38,934,846	612,763,840
Construction in Progress	69,735,091	26,749,404	96,484,495
Accumulated Depreciation	(329,903,963)	(20,502,825)	(350,406,788)
<b>Total Capital Assets, Net of Accumulated Depreciation</b>	<b>\$ 1,109,059,513</b>	<b>\$ 91,941,549</b>	<b>\$ 1,201,001,062</b>

The Component Unit-Schools capital assets reflected in the following table totaled \$1.6 billion, which represents a net increase of \$57.2 million.

**Table 6  
Schools  
Change in Capital Assets**

	<b>Balance At June 30, 2015</b>	<b>Net Additions/Deletions</b>	<b>Balance At June 30, 2016</b>
<b><u>Capital Assets:</u></b>			
Land	\$ 148,258,289	\$ 51,451	\$ 148,309,740
Buildings	1,651,552,934	103,322,332	1,754,875,266
Improvements Other Than Buildings	1,676,814	2,614,577	4,291,391
Equipment	132,112,194	799,529	132,911,723
Construction in Progress	90,927,190	(6,764,691)	84,162,499
Infrastructure	1,121	0	1,121
Accumulated Depreciation	(473,056,207)	(42,777,432)	(515,833,639)
<b>Total Capital Assets, Net of Accumulated Depreciation</b>	<b>\$ 1,551,472,335</b>	<b>\$ 57,245,766</b>	<b>\$ 1,608,718,101</b>

During the fiscal year 2017 budget process, the County adopted a six-year Capital Improvement Program (CIP) that totals \$1.8 billion, with school construction and renovation projects totaling \$541.4 million, transportation projects totaling \$722.7 million and county construction projects totaling \$532.4 million. Funding for the FY 2017 adopted CIP decreased approximately \$149.4 million from the FY 2016 adopted CIP primarily due to the completion of appropriation for the Metrorail Silver Line project, construction of three parking garages, and several major school projects. The \$1.8 billion Adopted FY 2017-FY2022 plan is principally funded with \$268.9 million in local tax funding, \$71.5 million in proffers, \$484.5 million in grants and \$967.9 million funded with long term debt.

The fiscal years 2017-2022 plan includes three new elementary schools for \$161.4 million; one new middle school for \$57.8 million; two new high schools for \$312.6 million; renovations to elementary schools, the installation of artificial turf fields and track resurfacing at four high schools, and security improvements to school facilities throughout the County totaling \$9.6 million. Countywide capital projects include the construction of Prentice Drive/Lockridge Road West for \$89.6 million, Westwind Drive for \$43.7 million, Crosstrail Blvd. for \$43.6 million, Route 7/Battlefield Parkway Interchange for \$45.0 million and other transportation projects for \$500.8 million; storm water management project for \$32.4 million; capital project management support \$55.6 million; public safety capital improvements of \$152.6 million; health and welfare capital improvements of \$4.4 million; parks, recreation and cultural capital improvements of \$228.9 million and general government projects for \$58.5 million. Additional information is available in the FY2017 Adopted Fiscal Plan, Volume 2.

### **Long Term Debt**

At the end of fiscal year 2016, the County had \$1.3 billion in outstanding general obligation bonds, premiums, loans, and capital leases. This represents a net increase of \$112.6 million from last year. More detailed information on long term debt can be found in Note XIV of the notes to the financial statements.

In fiscal year 2016, Moody's Investors Services, Inc. reaffirmed the County's bond rating of Aaa, Fitch Credit Rating Services and Standard and Poor's (S&P) maintained the County's bond rating of AAA. These are the highest ratings available from each of these firms. In April, 2016 the County's TIFIA bonds received a rating upgrade from AA to AA+.

### **Economic Factors**

Loudoun County's economic and demographic conditions in many ways benefit from the relative stability, high income, and low unemployment characteristics of the Washington, D.C. region. Today, thanks in part to the diversity of Loudoun's business base and the financial strength of the long-term investors in the community, the County's commercial environment has been able to withstand downturns in the national and international economies. The County's economy continues to demonstrate sustained growth in employment and has outpaced other local jurisdictions within the region. The assessed value of commercial properties increased by 5.6 percent with the taxable real property assessment increasing by 2.6 percent. Loudoun County's unemployment rate, at 3.2% in June 2016, has consistently been well below the national rate.

While Loudoun remains a beautiful community with a thriving rural economy, growth has brought a five-fold increase in population since 1980. Since the late 1990s, Loudoun County has experienced success in attracting office, light industrial and retail businesses, which sparked commercial construction activity at an unprecedented scale. As a result, Loudoun has transformed from strictly a bedroom community to a highly desirable employment center.

The Economic Development Department's analysis has shown that Loudoun currently has high concentrations, compared to national levels, in several key industry clusters: information communications technology; federal government and defense contractors; and airport-related businesses. The County also has identified areas of emerging strength, with the potential for future expansion – firms in life sciences and health information technology, cyber security, and big data. The department has also launched a strategic attraction campaign aimed at international companies, particularly European-based businesses and those in the industry clusters listed above.

Also reflecting the County's commitment to business is the development of thriving business partnerships including the Economic Development Advisory Commission, the Rural Economic Development Council, Small Business Development Center, George Mason University's Mason Enterprise Center and the Loudoun Chamber of Commerce. These are serious efforts, joining together some of the smartest and most innovative leaders, harnessing their collective time, energy and brainpower to continue to move the county and its business community forward.

### **Currently Known Facts Likely to Impact Future Financial Condition**

During FY 2015, the County obtained Transportation Infrastructure Finance and Innovation Act ("TIFIA") financing from USDOT in the amount of \$195.1 million, to partially fund the cost of the Dulles Corridor Metrorail Project. As a Funding Partner, Loudoun County is responsible for 4.8%, of the Project, to extend the Metrorail system 11.6 miles to and beyond the Dulles Airport into the County. Loudoun County's share is currently estimated to be \$274.0 million. The County intends to fulfill the balance of its obligation with revenues collected from a special improvements tax levied and assessed on taxable real estate located within the Metrorail Service District, and proceeds from revenue bonds issued by the Loudoun County Economic Development Authority. The County has agreed to secure sufficient funding to build three Metrorail Garages.

In April 2016, the Board set the real property tax rate at \$1.145 per \$100 of assessed value from \$1.135 for the calendar year 2016. This increase in the tax rate provides additional funding to support Loudoun County Public Schools and County departments which continue to feel the impact of the County's continued population growth.

### **Impact of New Accounting Pronouncements**

The Governmental Accounting Standards Board adopted Statement No. 72, "Fair Value Measurement and Application". This Statement enhances comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. Additional information is provided in the Financial Statements: Note III – Bank Deposits and Investments.

The Governmental Accounting Standards Board adopted Statement No. 73, "Accounting and Financial Reporting for Pensions and Related Assets That Are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68". This Statement enhances financial reporting by establishing a single framework for the presentation of information about pensions. A portion of this Statement is effective for fiscal year 2016. Additional information is provided in the Notes to the Financial Statements: Note XVIII (B) – Retirement Plans and Note XXIII – Prior Period Adjustments and Change in Accounting Principles.

### **Contacting The County's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. In future years, a comparative analysis of government-wide data will be presented. Questions concerning this report or requests for additional financial information should be directed to John Sandy, Assistant County Administrator, County of Loudoun, Virginia, 1 Harrison Street, SE, 4<sup>th</sup> Floor – MSC #41, Leesburg, VA 20176. The telephone number is (703) 777-0290 and the County's web site is at [www.loudoun.gov](http://www.loudoun.gov).



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# Basic Financial Statements

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Firemen at Work



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**COUNTY OF LOUDOUN, VIRGINIA  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2016**

	<b>Primary Government Governmental Activities</b>	<b>Component Unit School Board</b>	<b>Total Reporting Entity</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 896,724,694	\$ 53,019	\$ 896,777,713
Restricted Cash and Investments	259,480,549	9,016,473	268,497,022
Receivables, Net:			
Taxes:			
Delinquent	34,824,069	-	34,824,069
Not Yet Due	512,894,757	-	512,894,757
Accounts	9,333,580	3,868,918	13,202,498
Due from Other Governments	49,028,362	18,287,121	67,315,483
Due from Primary Government	-	240,809,603	240,809,603
Inventory	311,159	1,036,892	1,348,051
Prepaid Items	1,331,074	154,865	1,485,939
Notes and Loans Receivable, Net	3,042,156	-	3,042,156
Capital Assets:			
Non-depreciable	330,431,749	232,472,239	562,903,988
Depreciable, Net	870,569,313	1,376,245,862	2,246,815,175
Capital Assets, Net	<u>1,201,001,062</u>	<u>1,608,718,101</u>	<u>2,809,719,163</u>
Total Assets	<u>2,967,971,462</u>	<u>1,881,944,992</u>	<u>4,849,916,454</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension Contributions after the Measurement Date	19,659,398	117,749,481	137,408,879
Deferred Amount on Refunding Debt	6,338,742	-	6,338,742
Total deferred outflows of resources	<u>25,998,140</u>	<u>117,749,481</u>	<u>143,747,621</u>
<b>LIABILITIES</b>			
Accounts Payable	31,931,429	21,623,669	53,555,098
Accrued Interest Payable	7,410,550	284,120	7,694,670
Accrued Liabilities	11,011,391	86,831,420	97,842,811
Unearned Revenues	9,786,802	3,584,927	13,371,729
Due to Component Unit	240,755,250	54,353	240,809,603
Due to Agency Fund	-	11,954,707	11,954,707
Other Liabilities	5,756,642	69,675	5,826,317
Long-term Liabilities:			
Due Within One Year:			
Compensated Absences	1,596,454	2,722,453	4,318,907
Claims Liabilities	7,889,016	13,639,241	21,528,257
Bonds Payable	110,356,941	-	110,356,941
Leases Payable	17,470,000	9,972,603	27,442,603
Due in More Than One Year:			
Compensated Absences	26,911,657	22,091,220	49,002,877
Claims Liabilities	2,651,196	449,089	3,100,285
Landfill Closure and Postclosure Care Costs	21,433,414	-	21,433,414
Net OPEB Obligation	11,446,523	96,059,435	107,505,958
Net Pension Liability	58,277,249	809,043,000	867,320,249
Bonds Payable	935,297,382	-	935,297,382
Federal Loans Payable	53,604,215	-	53,604,215
Leases Payable	192,665,000	15,145,907	207,810,907
Total Liabilities	<u>1,746,251,111</u>	<u>1,093,525,819</u>	<u>2,839,776,930</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes Not Yet Due	512,894,757	-	512,894,757
Prepaid Taxes	11,295,735	-	11,295,735
Deferred Gain on Pension Investment Earnings	15,341,495	66,010,000	81,351,495
Deferred Amount on Refunding Debt	6,265,136	-	6,265,136
Total Deferred Inflows of Resources	<u>545,797,123</u>	<u>66,010,000</u>	<u>611,807,123</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	996,818,157	1,583,599,591	1,775,172,438 A
Restricted for:			
Capital Projects	124,872,514	-	124,872,514
Permanent Fund-Nonexpendable	-	28,320	28,320
Public Facilities and Services	126,384,898	-	126,384,898
Affordable Housing	29,290,188	-	29,290,188
Transportation	27,961,585	-	27,961,585
Library Services	4,283,001	-	4,283,001
Tourism	912,032	-	912,032
Emergency Transport Program	1,893,470	-	1,893,470
Other Purposes	2,763,504	3,353,080	6,116,584
Unrestricted	(613,257,980)	(746,822,337)	(554,835,007) A
Total Net Position	<u>\$ 701,921,369</u>	<u>\$ 840,158,654</u>	<u>\$ 1,542,080,023</u>

A The sum of the columns does not equal the Total Reporting Entity column by a difference of \$805,245,310 because the debt related to the School Board Component Unit is reflected in the Primary Government's governmental activities column reducing unrestricted net position. The assets are reflected in the School Board Component Unit column as Net Investment in Capital Assets. The Total Reporting Entity column matches the asset with the debt and reports the net amount on the Net investment in Capital Assets line.

See accompanying notes to the financial statements.



**COUNTY OF LOUDOUN, VIRGINIA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2016**

Functions/Programs Activities	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total Reporting Entity
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component	
					Government Governmental Activities	Unit School Board	
<b>Primary Government:</b>							
General Government Administration	\$ 78,872,933	\$ 1,362,795	\$ 878,863	\$ 6,595,990	\$ (70,035,285)		\$ (70,035,285)
Judicial Administration	15,514,395	1,338,326	2,121,715	-	(12,054,354)		(12,054,354)
Public Safety	190,279,538	20,180,529	17,177,722	465,612	(152,455,675)		(152,455,675)
Public Works	47,129,942	5,707,115	11,875,507	38,934,846	9,387,526		9,387,526
Health and Welfare	92,463,665	7,484,824	26,748,921	-	(58,229,920)		(58,229,920)
Parks, Recreation and Culture	69,415,513	16,511,902	635,241	-	(52,268,370)		(52,268,370)
Community Development	176,053,814	18,691,245	41,525,554	2,217,688	(113,619,327)		(113,619,327)
Education	775,002,448	-	2,519,141	-	(772,483,307)		(772,483,307)
Interest and Other Debt Service Charges	36,695,179	-	-	-	(36,695,179)		(36,695,179)
<b>Total Primary Government</b>	<b>\$ 1,481,427,428</b>	<b>\$ 71,276,736</b>	<b>\$ 103,482,664</b>	<b>\$ 48,214,136</b>	<b>\$ (1,258,453,892)</b>		<b>\$ (1,258,453,892)</b>
<b>Component Unit:</b>							
School Board	\$ 1,003,389,486	\$ 19,252,192	\$ 30,718,049	\$ 106,240,042		\$ (847,179,203)	\$ (847,179,203)
<b>General Revenues:</b>							
Taxes:							
Property Taxes, Levied for General Purposes					1,053,830,653	-	1,053,830,653
Local Sales and Use Taxes					93,154,168	-	93,154,168
Consumer Utility Taxes					21,555,702	-	21,555,702
Business License Taxes					31,785,671	-	31,785,671
Franchise License Taxes					268,173	-	268,173
Motor Vehicle Licenses					6,817,105	-	6,817,105
Bank Franchise Taxes					3,870,002	-	3,870,002
Taxes on Recordation and Wills					10,786,451	-	10,786,451
Hotel and Motel Room Taxes					5,720,710	-	5,720,710
Payment from County					-	679,458,663	679,458,663
Interest and Investment Earnings					22,929,100	-	22,929,100
Grants and Contributions Not Restricted to Specific Programs					57,189,579	289,710,253	346,899,832
Revenue from Use of Money and Property					-	1,966,472	1,966,472
Miscellaneous					2,527,431	5,179,361	7,706,792
Total General Revenues					1,310,434,745	976,314,749	2,286,749,494
Change in Net Position					51,980,853	129,135,546	181,116,399
Net Position at Beginning of Year, as restated (Note XXIII)					649,940,516	711,023,108	1,360,963,624
Net Position at End of Year					\$ 701,921,369	\$ 840,158,654	\$ 1,542,080,023

See accompanying notes to the financial statements.

**COUNTY OF LOUDOUN, VIRGINIA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
AS OF JUNE 30, 2016**

	<b>General</b>	<b>Capital Projects</b>	<b>Debt Service</b>	<b>Non-Major Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 909,618,838	\$ -	\$ -	\$ 2,148,624	\$ 911,767,462
Restricted Cash and Investments	93,560,124	114,736,047	14,698,532	35,280,846	258,275,549
Receivables, Net:					
Taxes:					
Delinquent	31,900,672	-	-	2,923,397	34,824,069
Not Yet Due	512,894,757	-	-	-	512,894,757
Accounts	3,356,341	2,482,506	-	3,058,800	8,897,647
Due from Other Governments	37,908,873	9,529,992	-	1,589,497	49,028,362
Interfund Receivables	-	240,454,265	46,703,660	184,215,162	471,373,087
Inventory	-	-	-	261,886	261,886
Prepaid Items	1,055,830	-	-	275,244	1,331,074
Notes and Loans Receivable, Net	1,180,941	-	-	1,861,215	3,042,156
Total Assets	<u>\$ 1,591,476,376</u>	<u>\$ 367,202,810</u>	<u>\$ 61,402,192</u>	<u>\$ 231,614,671</u>	<u>\$ 2,251,696,049</u>
<b>LIABILITIES</b>					
Liabilities:					
Accounts Payable	\$ 8,568,376	\$ 14,877,904	\$ 277,494	\$ 6,886,716	\$ 30,610,490
Accrued Liabilities	10,620,304	3,622	-	44,324	10,668,250
Unearned Revenues	5,648,442	11,322	-	4,127,038	9,786,802
Interfund Payables	514,902,233	-	-	5,759,679	520,661,912
Due to Component Unit	231,104,713	2,345,000	20,594,846	1,609,943	255,654,502
Other Liabilities	2,166,203	-	-	3,590,439	5,756,642
Total Liabilities	<u>773,010,271</u>	<u>17,237,848</u>	<u>20,872,340</u>	<u>22,018,139</u>	<u>833,138,598</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property Taxes	8,067,179	-	-	437,134	8,504,313
Property Taxes Not Yet Due	512,894,757	-	-	-	512,894,757
Prepaid Taxes	11,173,501	-	-	122,234	11,295,735
Total Deferred Inflows of Resources	<u>532,135,437</u>	<u>-</u>	<u>-</u>	<u>559,368</u>	<u>532,694,805</u>
<b>FUND BALANCES:</b>					
Non-spendable	2,236,771	-	-	2,398,345	4,635,116
Restricted	-	236,776,625	-	194,709,363	431,485,988
Committed	194,062,295	100,790,121	-	7,975,728	302,828,144
Assigned	34,321,280	12,398,216	40,529,852	3,953,728	91,203,076
Unassigned	55,710,322	-	-	-	55,710,322
Total Fund Balances	<u>286,330,668</u>	<u>349,964,962</u>	<u>40,529,852</u>	<u>209,037,164</u>	<u>885,862,646</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 1,591,476,376</u>	<u>\$ 367,202,810</u>	<u>\$ 61,402,192</u>	<u>\$ 231,614,671</u>	<u>\$ 2,251,696,049</u>

See accompanying notes to the financial statements.

**COUNTY OF LOUDOUN, VIRGINIA  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
AS OF JUNE 30, 2016**

**Amounts reported for governmental activities in the Statement of Net Position (Exhibit I) are different because:**

Total Fund balances - governmental funds		\$ 885,862,646
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Governmental capital assets	1,477,398,401	
Less accumulated depreciation	<u>(311,775,728)</u>	1,165,622,673
Delinquent taxes and other long term assets not available to pay for current period expenditures are deferred in the governmental funds.		8,504,313
For debt refunding resulting in defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt are reported as a deferred outflow of resources or deferred inflow of resources on the Statement of Net Position.		
Unamortized deferred loss on refunding of debt	6,338,742	
Unamortized deferred gain on refunding of debt	<u>(6,265,136)</u>	73,606
Employer pension contributions in the governmental funds made after the measurement date are deferred and expensed in the next fiscal period		19,568,825
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Compensated absences	(28,508,111)	
Landfill closure and postclosure care costs	(21,433,414)	
Net OPEB Obligation	(11,446,523)	
Net Pension Liability	(58,008,760)	
Unamortized deferred amount on pension investments	(15,270,815)	
Governmental bonds payable	(955,640,000)	
Federal loans payable	(53,604,215)	
Governmental leases payable	(210,135,000)	
Unamortized bond premium	<u>(90,014,323)</u>	(1,444,061,161)
Interest on long-term liabilities is not accrued in the governmental funds, but is rather recognized as an expenditure when due.		(7,410,550)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the Statement of Net Position.		73,761,016
Net Position of Governmental Activities		<u><u>\$ 701,921,369</u></u>

See accompanying notes to the financial statements.

**COUNTY OF LOUDOUN, VIRGINIA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	General	Capital Projects	Debt Service	Non-Major Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
General Property Taxes	\$ 1,033,758,018	\$ -	\$ -	\$ 20,072,375	\$ 1,053,830,393
Other Local Taxes	146,127,627	201,109	-	27,629,246	173,957,982
Permits and Licenses	22,384,995	-	-	1,610	22,386,605
Fines and Forfeitures	1,726,649	-	-	-	1,726,649
Use of Money and Property	5,832,491	4,617	689,592	580,894	7,107,594
Charges for Services	34,273,963	-	-	4,038,670	38,312,633
Gifts and Donations	129,686	51,544	-	43,680,642	43,861,872
Miscellaneous	381,708	-	962,540	9,146	1,353,394
Recovered Costs	8,798,645	111,568	-	1,114,673	10,024,886
Intergovernmental - Commonwealth	83,683,926	8,538,638	-	3,248,764	95,471,328
Intergovernmental - Federal	7,255,004	5,026,893	-	10,609,546	22,891,443
Total Revenues	1,344,352,712	13,934,369	1,652,132	110,985,566	1,470,924,779
<b>EXPENDITURES</b>					
Current Operating:					
General Government Administration	72,951,877	2,795,069	-	71,257	75,818,203
Judicial Administration	14,013,797	-	-	205,047	14,218,844
Public Safety	169,153,608	419,449	-	3,726,459	173,299,516
Public Works	17,567,569	4,188,158	-	13,742,282	35,498,009
Health and Welfare	68,938,159	2,003,990	-	17,577,325	88,519,474
Parks, Recreation and Culture	50,806,573	2,320,051	-	967,561	54,094,185
Community Development	49,275,814	116,778,350	-	7,170,853	173,225,017
Education	681,705,584	170,000	18,542,822	54,586,000	755,004,406
Capital Outlay	-	81,395,557	-	2,135,609	83,531,166
Debt Service:					
Principal Payments	-	-	107,440,000	-	107,440,000
Interest	-	-	48,458,967	-	48,458,967
Service Charges	-	-	2,244,074	-	2,244,074
Payment to Refunded Bond Escrow Agent	-	-	12,391,563	-	12,391,563
Total Expenditures	1,124,412,981	210,070,624	189,077,426	100,182,393	1,623,743,424
Excess (Deficiency) of Revenues Over (Under) Expenditures	219,939,731	(196,136,255)	(187,425,294)	10,803,173	(152,818,645)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	14,751,885	317,351,529	178,151,151	94,254,425	604,508,990
Transfers Out	(239,827,070)	(22,711,337)	(7,200,280)	(339,279,759)	(609,018,446)
Cash from Prior Year Sale of Land to Component Unit	(19,998,042)	-	-	-	(19,998,042)
Bonds Issued	-	-	-	86,585,000	86,585,000
Refunding Bonds Issued	-	-	61,405,000	-	61,405,000
Capital Leases Issued	-	-	-	88,940,000	88,940,000
Refunding Capital Leases Issued	-	-	22,245,000	-	22,245,000
Federal Loans Issued	-	-	-	42,396,239	42,396,239
Premium on Bonds Issued	-	-	9,462,611	-	9,462,611
Premium on Refunded Bonds Issued	-	-	12,151,700	-	12,151,700
Premium on Capital Leases Issued	-	-	8,677,544	-	8,677,544
Premium on Refunding Capital Leases Issued	-	-	3,828,267	-	3,828,267
Payment to Refunded Bond Escrow Agent	-	-	(98,866,723)	-	(98,866,723)
Sale of Capital Assets	84,500	-	-	4,840	89,340
Total Other Financing Sources (Uses)	(244,988,727)	294,640,192	189,854,270	(27,099,255)	212,406,480
Net Change in Fund Balances	(25,048,996)	98,503,937	2,428,976	(16,296,082)	59,587,835
Fund Balances at Beginning of Year, as restated (Note XXIII)	311,379,664	251,461,025	38,100,876	225,333,246	826,274,811
<b>Fund Balances at End of Year</b>	<b>\$ 286,330,668</b>	<b>\$ 349,964,962</b>	<b>\$ 40,529,852</b>	<b>\$ 209,037,164</b>	<b>\$ 885,862,646</b>

See accompanying notes to the financial statements.

**COUNTY OF LOUDOUN, VIRGINIA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2016**

**Amounts reported for governmental activities (Exhibit II) are different because:**

Net change in fund balances - total governmental funds		\$ 59,587,835
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets.		
Expenditures for capital assets	85,836,133	
Less current year depreciation	<u>(32,662,333)</u>	53,173,800
In the Statement of Activities, only the gain (loss) on capital assets is reported while in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital asset.		
		(7,449,565)
Donations of capital assets increase net position in the Statement of Activities, but do not appear in the governmental funds because they are not financial resources.		
		46,661,737
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Change in unearned revenue related to taxes	260	
Change in pension investment earnings	<u>15,821,506</u>	15,821,766
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Principal payments, including \$318,277 of unused proceeds for refunding	206,625,000	
Net debt proceeds and issuance premium, less reclassification of \$63,224 of prior year capitalized interest on TIFIA financing	(335,628,137)	
Current year amortization of bond premium	16,363,316	
Current year deferred loss on refunding debt	6,338,742	
Current year amortization of deferred amount of refunding	<u>1,796,319</u>	(104,504,760)
Expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Change in compensated absences liability	(1,854,434)	
Change in landfill closure/post-closure liability	(1,116,527)	
Change in Net OPEB Obligation	6,188,628	
Change in Net Pension liability	(7,350,630)	
Change in employer contributions after the measurement date	777,373	
Change in accrued interest liability	<u>1,519,546</u>	(1,836,044)
Internal service funds are used by management to charge the costs of certain services to individual funds. The net revenue of the internal service funds is reported with governmental activities.		
		(9,473,917)
<b>Change in Net Position of Governmental Activities</b>		<u><u>\$ 51,980,853</u></u>

See accompanying notes to the financial statements.

**COUNTY OF LOUDOUN, VIRGINIA  
STATEMENT OF FUND NET POSITION  
PROPRIETARY - INTERNAL SERVICE FUNDS  
AS OF JUNE 30, 2016**

**ASSETS**

## Current Assets:

Restricted Cash and Investments	\$ 1,205,000
Receivables, Net	435,933
Interfund Receivables	49,288,825
Inventory	49,273
Total Current Assets	<u>50,979,031</u>

## Noncurrent Assets:

## Capital Assets:

Depreciable, Net	35,378,389
Total Noncurrent Assets	<u>35,378,389</u>
Total Assets	<u>86,357,420</u>

**DEFERRED OUTFLOWS OF RESOURCES**

Pension Contributions after the Measurement Date	90,573
Total Deferred Outflows of Resources	<u>90,573</u>

**LIABILITIES**

## Current Liabilities:

Accounts Payable	1,320,939
Due to Component Unit	143,516
Claims Liabilities	7,889,016
Accrued Liabilities	343,141
Total Current Liabilities	<u>9,696,612</u>

## Noncurrent Liabilities:

Claims Liabilities	2,651,196
Net Pension Liability	268,489
Total Noncurrent Liabilities	<u>2,919,685</u>
Total Liabilities	<u>12,616,297</u>

**DEFERRED INFLOWS OF RESOURCES**

Deferred Gain on Pension Investment Earnings	70,680
Total Deferred Inflows of Resources	<u>70,680</u>

**NET POSITION**

Net Investment in Capital Assets	35,378,389
Unrestricted	38,382,627
Total Net Position	<u>\$ 73,761,016</u>

See accompanying notes to the financial statements.

**COUNTY OF LOUDOUN, VIRGINIA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY - INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

<b>Operating Revenues:</b>	
Charges for Services	\$ 63,566,984
Use of Property	85,156
Miscellaneous	147,309
Total Operating Revenues	<u>63,799,449</u>
<b>Operating Expenses:</b>	
Personnel Services	1,310,961
Other Services and Charges	6,836,282
Materials and Supplies	1,161,766
Depreciation	6,869,728
Payment to Component Unit	11,500,000
Claims	50,986,545
Total Operating Expenses	<u>78,665,282</u>
<b>Operating Loss</b>	(14,865,833)
<b>Non-Operating Revenues:</b>	
Gain on Sale of Capital Assets	<u>882,460</u>
<b>Net Loss Before Operating Transfers</b>	(13,983,373)
Transfers In	<u>4,509,456</u>
<b>Change in Net Position</b>	(9,473,917)
<b>Net Position at Beginning of Year</b>	83,234,933
<b>Net Position at End of Year</b>	<u><u>\$ 73,761,016</u></u>

See accompanying notes to the financial statements.

**COUNTY OF LOUDOUN, VIRGINIA  
STATEMENT OF CASH FLOWS  
PROPRIETARY - INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Cash Flows from Operating Activities**

Receipts from Customers	\$ 63,791,142
Payments to Suppliers for Goods and Services	(7,320,656)
Payments for Interfund Services	8,087,759
Claims Paid	(50,434,550)
Payments to Component Unit	(11,500,000)
Payments to Employees	(1,572,305)
Net Cash Provided by in Operating Activities	<u>1,051,390</u>

**Cash Flows from Non-capital Financing Activities:**

Transfers In	4,509,456
Net Cash Provided by Non-capital Financing Activities	<u>4,509,456</u>

**Cash Flows from Capital and Related Financing Activities:**

Additions to Capital Assets	(6,561,728)
Proceeds from Sale of Capital Assets	1,018,882
Net Cash Used in Capital and Related Financing Activities	<u>(5,542,846)</u>

**Net Increase in Cash and Cash Equivalents**

18,000

Cash and Cash Equivalents at Beginning of Year

1,187,000

**Cash and Cash Equivalents at End of Year**\$ 1,205,000**Reconciliation of Operating Loss to Net Cash Used In Operating Activities:****Operating Loss**\$ (14,865,833)**Adjustment Not Affecting Cash:**

Depreciation	6,869,728
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**(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:**

Receivables, Net	(8,307)
Interfund Receivables	8,087,759
Inventory	51,863
Prepaid Items	6,678
Deferred Pension Expense	(8,598)
Accounts Payable	628,531
Due to Other Funds	25,758
Claims Liabilities	551,995
Accrued Liabilities	(261,344)
Net Pension Obligation	41,685
Deferred Gain on Pension Investments	(68,525)
Total Adjustments	<u>15,917,223</u>

**Net Cash Provided by Operating Activities**\$ 1,051,390**Non-Cash Capital Related Financing Activities:**

Gain on Sale of Capital Assets	\$ 882,460
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See accompanying notes to the financial statements.



**COUNTY OF LOUDOUN, VIRGINIA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**AS OF JUNE 30, 2016**

	<b>OPEB Trust Fund</b>	<b>War Memorial Trust Fund</b>	<b>Agency Funds</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ -	\$ 15,564	\$ 15,387,819
Cash with Fiscal Agents	51,892,179	-	60,000
Accounts Receivable	-	-	1,500
<b>Total Assets</b>	<u>51,892,179</u>	<u>15,564</u>	<u>15,449,319</u>
<b>LIABILITIES</b>			
Funds Held in Trust for Others	-	-	15,449,319
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>\$ 15,449,319</u>
<b>NET POSITION</b>			
Assets Held in Trust for OPEB Benefits	\$ 51,892,179	\$ -	
Assets Held in Trust for Private Purposes	-	15,564	
<b>Total Net Position</b>	<u>\$ 51,892,179</u>	<u>\$ 15,564</u>	

See accompanying notes to the financial statements.

**COUNTY OF LOUDOUN, VIRGINIA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<b>OPEB Trust Fund</b>	<b>War Memorial Trust Fund</b>
<b>ADDITIONS</b>		
Contributions:		
Employer	\$ 9,470,553	\$ -
Total Contributions	<u>9,470,553</u>	<u>-</u>
Investments:		
Net Appreciation in Fair Value of Investments	963,865	-
Investment Income	4,947	-
Total Investment Income	<u>968,812</u>	<u>-</u>
Less Investment Expense:		
Investment Management Fees	<u>(32,500)</u>	<u>-</u>
Net Investment Income	<u>936,312</u>	<u>-</u>
Total Additions	<u>10,406,865</u>	<u>-</u>
<b>DEDUCTIONS</b>		
Benefits	3,771,665	-
Administrative Expense	198,888	-
Total Deductions	<u>3,970,553</u>	<u>-</u>
<b>Change in Net Position</b>	6,436,312	-
<b>Net Position at Beginning of Year</b>	45,455,867	15,564
<b>Net Position at End of Year</b>	<u>\$ 51,892,179</u>	<u>\$ 15,564</u>

See accompanying notes to the financial statements.

**COUNTY OF LOUDOUN, VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2016**

**NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the County of Loudoun, Virginia (the County), have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles for state and local governmental entities. Significant accounting policies of the County are described below.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

**(A) REPORTING ENTITY**

The County is a political subdivision of the Commonwealth of Virginia (the State), governed by a nine member elected Board of Supervisors and an appointed County Administrator. As required by GAAP, the financial statements present the government (tFY2016he Primary Government) and its component unit, the Loudoun County Public School Board (the Schools). The County of Loudoun, Virginia, reporting entity is determined upon the evaluation of certain criteria established by GASB.

Component Units - Component Units are entities for which the Primary Government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the Primary Government. The County has no component units that meet the requirements for blending. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide statements to emphasize they are legally separate from the government. The Loudoun County Public School Board, described below, is the only component unit of the County.

The Loudoun County Public School Board - The Schools are responsible for elementary and secondary education within the County's jurisdiction. Members of the Schools' governing board (the School Board) are elected. They were most recently elected in November 2015 and assumed their responsibilities on January 1, 2016. The Schools are fiscally dependent upon the County because the County's Board of Supervisors approves the School's budget, levies taxes (if necessary), and issues bonds for School capital projects and improvements.

Loudoun County Public Schools issues a publicly available Comprehensive Annual Financial Report. A copy of that report may be obtained from the Schools website, <http://www.lcps.org>.

**(B) BASIS OF PRESENTATION**

The financial statements of the County report activities of the Primary Government and its component unit, the Loudoun County Public School Board. These statements include the following components.

Government-wide Financial Statements – The financial statements are prepared using full accrual basis of accounting for all of the government's activities. This approach includes not just current assets and liabilities, but also capital assets, long-term liabilities, deferred outflows of resources, and deferred inflows of resources (such as buildings, general obligation debt, pension contributions after the measurement date, and property taxes not yet due). Accrual accounting also reports all of the revenues and costs of providing services each year, not just those received or paid in the current year or soon thereafter.

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the Primary Government and its component units. *Governmental Activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from legally separate *component units* for which the Primary Government is financially accountable.

Statement of Net Position – The Statement of Net Position displays the financial position of the Primary Government and it's discretely presented component units. Governments report all capital assets in the government-wide Statement of Net Position and report depreciation expense – the cost of "using up" capital assets – in the Statement of Activities. The Net Position of a government is broken down into three categories: (1) Net Investment in capital assets; (2) restricted; and (3) unrestricted.

Statement of Activities – The government-wide Statement of Activities reports expenses and revenues in a format that focuses on the cost of each of the government's functions. The expense of individual functions is compared to the revenues generated directly by the function (for instance, through user charges or intergovernmental grants).

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly

included among program revenues are reported instead as *general revenues*. The County does not allocate indirect expenses to the governmental functions.

**Fund Financial Statements** - Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The County reports the following major governmental funds:

- **General Fund** – This fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted in another fund.
- **Capital Projects Fund** - This fund is used to account for the purchase and/or construction of major capital facilities, including buildings, land, major equipment and other long-lived improvements for the general government. Financing is provided primarily by bond issues, State and Federal grants, and transfers from the General Fund.
- **Debt Service Fund** – This fund is used to account for the resources accumulated and payments made for principal, interest, and related costs on long-term general obligation debt of governmental funds.

All other non-major governmental funds are reported in a single column captioned "Non-Major Governmental Funds" and consist of special revenue funds, a capital asset replacement fund and a major equipment replacement fund.

Proprietary funds are used to account for operations that are financed in a manner similar to private business enterprises. The proprietary fund measurement focus is upon determination of net income, financial position, and cash flows. Cash and temporary investments related to these proprietary funds are all highly liquid cash equivalents. The County's proprietary funds consist solely of its internal service funds (the Central Service Funds and the Self-Insurance Fund). These funds are included in the governmental activities for government-wide reporting purposes. All significant interfund activity has been eliminated. The excess revenue or expenses for these funds are allocated to the appropriate functional activity in the Statement of Activities. The operations of these funds are generally intended to be self-supporting.

Additionally, the government reports the following Fiduciary funds:

- **OPEB Trust Funds** – The OPEB trust fund is used to account for the assets held in trust by the county for other postemployment benefits.
- **Private-Purpose Trust Fund** - These funds are used to account for the assets received and disbursed by the County acting in a trustee capacity or as an agent for individuals, private organizations or governments. The War Memorial Trust Fund is used to account for monies provided by private donors and other miscellaneous sources, restricted to use for the purchase, maintenance and improvement of war memorials within the County.
- **Agency Funds** – These funds are used to account for monies received, held and disbursed on behalf of certain welfare recipients, certain developers, certain employee benefits, and certain inmates at the time of incarceration.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes.

Amounts reported as *program revenue* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the government's internal service funds are charges to the County departments on a cost-reimbursement basis for goods or services provided, and include such activities as central duplicating, telephone, mail, support, and fleet management services. Revenue for the self-insurance fund is derived primarily from payroll deduction for health insurance premiums, which are set annually and are shared by employees of the Primary Government and the Primary Government, and prescription rebates from other agencies. Operating expenses for internal service funds include the cost of sales and services, administrative expenses, insurance claims, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**Budgetary Comparison Schedules** – Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in one way or another in the process of establishing the annual operating budgets of state and local governments and have a keen interest in following the actual financial progress of their governments over the course of the year. Many governments revise their original budgets over the course of the year for a variety of reasons. Governments provide budgetary comparison information in their annual reports, including the government's original budget to the comparison of final budget and actual results.

The County's General Fund budgetary comparison schedules are reported as required supplementary information following the notes to the financial statements. All other budgetary comparison schedules are reported as other supplementary information.

(C) MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Basis of accounting refers to the timing when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements regardless of the measurement focus applied.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Agency funds within fiduciary fund financial statements are reported using the accrual basis of accounting; however, there is no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are accounted for using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they become both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. The government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Accordingly, real and personal property taxes are recorded as unearned revenues and property taxes receivable when billed, net of allowances for uncollectible amounts of \$303,671 as of June 30, 2016. Real and personal property taxes recorded at June 30, and received within the first 60 days after year-end, are included in tax revenues with the related amount reduced from unearned revenues. Sales and utility taxes, which are collected by the Commonwealth of Virginia or utility companies and subsequently remitted to the County, are recognized as revenues and amounts receivable when the underlying exchange transaction occurs, which is generally one to two months preceding receipt by the County. Licenses, permits, fines and rents are recorded as revenues when received. Intergovernmental revenues, consisting of Federal, State and other grants for the purpose of specific programs are recognized when earned or at the time of the specific reimbursable expenditure. Revenues from general purpose grants are recognized during the period to which the grants apply. Expenditures are recognized when the related fund liability is incurred, except for principal and interest on long-term debt, which is recognized when due.

A summary reconciliation of the difference between the total governmental fund balances and total net position for governmental activities as shown in the government-wide Statement of Net Position is presented in an accompanying reconciliation to the governmental funds' balance sheet. The asset, liability, and deferred inflow elements, which comprise the reconciliation differences, stem from governmental funds using the current financial resources measurement focus and the modified accrual basis of accounting while the governmental-wide financial statements use the economic resources measurement focus and the accrual basis of accounting. A summary reconciliation of the difference between net changes in governmental fund balances and change in net position for governmental activities as shown on the government-wide Statement of Activities is presented in a reconciliation to the governmental funds' Statement of Revenues, Expenditures, and Changes in Fund Balances. The revenue and expense elements, which comprise the reconciliation differences, stem from governmental funds using the current financial resources measurement focus and the modified accrual basis of accounting while the government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting.

The property tax calendar is as follows:

	<u>Real Property</u>	<u>Personal Property</u>
Assessment Date	Jan 1	Jan 1
Lien Date	Apr 1	Apr 1
Levy Date	Apr 1	Apr 1
Due Dates	Jun 5 / Dec 5	May 5 / Oct 5

(D) CASH AND TEMPORARY INVESTMENTS

The County's cash and cash equivalents are considered to be cash on hand, temporary investments including amounts in demand deposits as well as short-term investments with a maturity date generally within three months of the date acquired by the County, or those investments that are callable at any time without penalty.

The County invests in an externally managed investment pool, the State Treasurer's Local Government Investment Pool (LGIP), which is not SEC-registered. The Treasury Board of the Commonwealth of Virginia has regulatory oversight of the LGIP, which is managed as a "2a-7 like pool". The portfolio securities are valued by the amortized cost method with maturities of thirteen months or less. The fair value of the County's position in the LGIP is the same as the value of the pool shares. The LGIP does not have any limitations or restrictions on participant withdrawals.

The County records short-term investments at cost, which approximates fair value.

Bond proceeds are deposited in the Virginia State Non-Arbitrage Program (SNAP), which is a 2a-7 money market mutual fund. Values of shares in SNAP are measured at amortized cost, which reflects fair value. All other investments are stated at fair value.

All interest is credited to the General Fund, unless law or Board of Supervisors action, requires allocation. Allocation, when required, is based on the monthly interest rate earned on funds invested with the LGIP. For the Capital Projects and Debt Service Funds, interest income on cash held with fiscal agents and trustees is recorded within these respective funds.

At the fund level, pooled cash held for Component Unit is reflected as an amount due to the component unit, which is reclassified at the reporting entity level.

(E) DUE TO/DUE FROM OTHER FUNDS (INTERFUND BALANCES)

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds" or "interfund receivables/payables".

(F) INVENTORIES

Inventories are valued at the lower of cost or market, using the first-in/first-out (FIFO) method. The costs of governmental fund inventories are recorded as expenditures when consumed.

(G) PREPAID ITEMS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

(H) NONCURRENT NOTES AND LOANS RECEIVABLE

Noncurrent portions of long-term notes and loans receivables, net of allowances, are offset equally by nonspendable fund balance, which indicates that they do not constitute expendable available financial resources, and therefore, are not available for appropriation.

(I) CAPITAL ASSETS

Capital assets are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the County as land, buildings, intangibles (software licenses, easements), road registered vehicles, and equipment with an initial individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of three years. Such assets are recorded at cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets of the Primary Government, as well as the School Board, are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	45
Building Improvements	15 - 25
Other Improvements	10 - 20
Infrastructure	20 - 60
Vehicles	5 - 20
Office Equipment	5 - 10
Computer Equipment	5
Intangibles	5 - 20

(J) COMPENSATED ABSENCES

1. Primary Government Employees - In 1994, the Primary Government adopted a policy under which employees can accumulate and be paid-out upon employment separation, a maximum of 364 hours of earned but unused annual (vacation) leave. Employees with accrued balances in excess of 364 hours may utilize their accumulated balances in excess of 364 hours by the end of the leave year. Unused annual leave hours in excess of 364 at the end of the leave year are forfeited by each employee. As of June 30, 2016, \$21,989,714 of earned but unused annual leave was accrued as compensated absences.

In 2004, the Primary Government adopted a policy under which non-exempt employees will receive payment at year-end for unused exchange time, with the exception of exchange time earned during the last two full pay periods of the leave year, which will carry over to the following year. Non-exempt employees will receive payment of all exchange time leave balances upon separation from County employment. Exempt, non-senior staff carry-over exchange time earned not to exceed their authorized bi-weekly hours plus exchange time earned during the last two pay periods of the leave year. Exempt, non-senior staff will receive payment of exchange time leave balances not to exceed their authorized bi-weekly hours upon separation from County employment. As of June 30, 2016, \$215,355 of unused exchange time was accrued as compensated absences.

Effective July 1, 2001, employees with 10 or more years of service are compensated for unused sick leave when they leave County employment. Employees meeting these criteria will be compensated for 25% of unused sick leave to a maximum amount of \$10,000 per individual. As of June 30, 2016, \$6,303,042 of unused sick leave was accrued as compensated absences.

2. School System Employees - School employees, other than teachers, are allowed to accumulate a maximum of 480 hours of vacation leave, which will be paid-out upon employment separation. Teachers do not accumulate annual leave. As of June 30, 2016, \$12,979,597 of accumulated vacation leave was accrued as compensated absences.

Additionally, all School employees with ten or more years of service are compensated for a portion of earned, but unused sick leave upon employment separation to a maximum amount of \$15,372 per individual. As of June 30, 2016, \$11,834,076 of unused sick leave was accrued as compensated absences.

(K) LONG-TERM OBLIGATIONS

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund Statement of Net Position. Bond premiums are deferred and amortized over the life of the bonds, using the proportionate to stated interest requirements method.

In the fund financial statements, governmental funds recognize bond premiums during the current period. The face amount of debt issues is reported as other financing sources. Premiums received on debt issuances are also reported as other financing sources.

(L) DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the Statement of Net Position and Balance Sheet will sometimes report a separate section for *deferred outflows of resources*, which represents a consumption of net position that applies to future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The County has two items that qualify for reporting in this category, pension contributions after the measurement date in the amount of \$19,659,398 and a deferred loss on refunding debt in the amount of \$6,338,742. The pension contributions after the measurement date is reported in the government-wide Statement of Net Position and will be recognized as an expense in the next fiscal period. A deferred gain on refunding debt results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the Statement of Net Position and Balance Sheet will sometimes report a separate section for *deferred inflows of resources*, which represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The County has four items that qualify for reporting in this category. Unavailable revenues in the amount of \$512,894,757 for revenues from property taxes not yet due and in the amount of \$11,295,735 for prepaid taxes are reported in the governmental funds' Balance Sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. A deferred gain on refunding debt in the amount of \$6,265,136 and a deferred gain on pension investment earnings in the amount of \$15,341,495 are reported in the government-wide Statement of Net Position. A deferred gain on refunding debt results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred gain on pension investment earnings results from the net difference between projected and actual earnings on plan investments. This amount is deferred and amortized over a closed five year period.

(M) FUND BALANCE FLOW ASSUMPTIONS

The Board of Supervisors adopted a revised Fiscal Policy in December 2014, which establishes the spending order of fund balance when both restricted and unrestricted fund balance are available. For the General Fund, Special Revenue Funds, Capital Funds and Debt Service Fund, when an expenditure is incurred, restricted fund balance is to be spent first, then committed fund balance, then assigned fund balance, and lastly unassigned fund balance.

(N) FUND BALANCE POLICIES

In the fund financial statements, governmental funds report fund balance for amounts that are not available for appropriation or are subject to externally enforceable legal restrictions as either nonspendable or restricted. The County itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance)

Committed fund balance includes amounts to be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Supervisors through a Resolution prior to the end of the fiscal year. Once adopted, the limitation remains in place until a similar action is taken to remove or revise the limitation.

Assigned fund balance classifications are intended to be used by the government for a specific purpose but does not meet the criteria to be classified as committed. The Board of Supervisors has authorized the County Administrator or his/her designee to assign fund balance through the adoption of the Fiscal Policy. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget.

Unassigned fund balance represents the residual fund balance remaining after nonspendable, restricted, committed, and assigned fund balance is deducted. In general, the General Fund is the only fund that reports a positive unassigned fund balance; however, in governmental funds other than the General Fund if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

(O) ACCOUNTING PRONOUNCEMENTS

The County has implemented the following GASB pronouncements in fiscal year 2016:

1. Statement No. 72, *Fair Value Measurement and Application*. This Statement, issued in February 2015, enhances comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques.
2. Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement, issued in June 2015, improves financial reporting by establishing a single framework for the presentation of information about pensions, which will enhance the comparability of pension-related information reported by employer and nonemployer contributing entities. A portion of this Statement is effective for periods beginning in fiscal year 2016, the remainder will be implemented in fiscal year 2017.
3. Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. This Statement, issued in June 2015, identifies the hierarchy of generally accepted accounting principles in the context of the current governmental financial reporting environment. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.
4. Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement, issued in December 2015, enhances comparability of financial statements among governments by establishing specific criteria used to determine whether a qualifying external investment pool may elect to use an amortized cost exception to fair value measurement.

The County is currently reviewing the following GASB pronouncements, effective for future periods, for their impact to the reporting entity:

1. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This Statement, issued in June 2015, improves the usefulness of information about postemployment benefits other than pensions included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement is effective for periods beginning in fiscal year 2017.
2. Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement, issued in June 2015, improves the decision-usefulness of information in employer and governmental nonemployer contributing entity financial reports and will enhance its value of assessing accountability and inter-period equity by requiring recognition of the entire OPEB liability and a more comprehensive measure of OPEB expense. This Statement is effective for periods beginning in fiscal year 2018.
3. Statement No. 77, *Tax Abatement Disclosures*. This Statement, issued in August 2015, improves financial reporting by giving users of financial statement essential information that is not consistently or comprehensively reported to the public at present. This Statement is effective for periods beginning in fiscal year 2017.
4. Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The Statement, issued in December 2015, addresses a practice issued regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This Statement is effective for periods beginning in fiscal year 2017.
5. Statement No. 80, *Blending Requirements for Certain Component units-an amendment of GASB Statement No. 14*. This Statement, issued in January 2016, improves financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement is effective for periods beginning in fiscal year 2017.
6. Statement No. 81, *Irrevocable Split-Interest Agreements*. This Statement, issued in March 2016, improves accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This Statement is effective for periods beginning in fiscal 2018.
7. Statement No. 82, *Pension Issues*. This Statement, issued in March 2016, improves financial reporting by enhancing consistency in the application of financial reporting requirements to certain pension issues. This Statement is effective for periods beginning in fiscal year 2017.

**NOTE II – LEGAL COMPLIANCE – FUND DEFICITS**

Budgets are prepared and adopted on a basis consistent with GAAP. Annual appropriation resolutions and budgets are adopted for the Primary Government's General and Debt Service Funds and the School's Operating and Debt Service Funds. The legal level of budgetary control for the General Fund is at the departmental level. The following Primary Government's Special Revenue Funds also have legally adopted budgets: Route 28 Special Improvements, Comprehensive Services Act, Legal Resource Center, Hotel and Motel Room Tax, Community Development Authority, Rental Assistance Program, Dulles Industrial Park Water and Sewer, Greenlea District, State and Federal Grants, Public Facilities, Housing, Transportation District, Uran Holocaust, Horton Program for the Arts, Symington, and EMS



Transport. The proposed budget also includes a recommended program of capital expenditures to be financed from current operations and a separate six year capital improvement plan. All annual appropriations lapse at fiscal year-end with the exception of the Capital Project Funds, for which project length budgets are adopted.

At June 30, 2016, no funds had deficit fund balances.

Encumbrances represent goods or services that have been contracted and are funded; however, these goods or services have not been received or performed. Encumbrances do not constitute an expenditure. The budget of any funds encumbered at the end of the fiscal year carries over into the next fiscal year.

### **NOTE III - BANK DEPOSITS AND INVESTMENTS**

#### **Investment Policy**

In accordance with the Code of Virginia, the County's Investment Policy (Policy), as approved by the Finance Board on March 16, 2010, and amended in November 2015, permits investments in U.S. Government obligations, obligations of the Commonwealth of Virginia or political subdivisions thereof, prime quality commercial paper, bankers' acceptances, repurchase agreements, certificates of deposit (non-negotiable only), money market funds, VML/VACO investment Pool, and the State Treasurer's LGIP.

The policy written encompasses the General Operating Fund, Special Revenue and Trust funds, and the Proffer funds. The County retirement fund and bond funds are covered under the County's Fiscal Policy.

The primary objective of the Policy is the safety of principal by minimizing credit risk and interest rate risk. The Policy establishes limitations on the holdings of investments of non-U.S. Treasury obligations. The maximum percentage of the portfolio (book value at the date of acquisition) permitted in each security is as follows:

<b>Investment Type</b>	<b>Maximum Diversification</b>	<b>Limits Within Investment Type</b>
U.S. Treasury Obligations	100% of Portfolio	
State of Virginia LGIP	100% of Portfolio	
Non-Negotiable Certificates of Deposit or CDARS	90% of Portfolio	Maximum of 50% of the total portfolio with any one institution
Repurchase Agreements	60% of Portfolio	Maximum of 60% of the total portfolio with any one institution.
U.S. Government Agency Securities and Government Sponsored Corporations	50% of Portfolio	
High Quality Corporate Notes	50% of Portfolio	
Money Market Accounts	50% of Portfolio	
Municipal Obligations	50% of Portfolio	
Prime Quality Commercial Paper	35% of Portfolio	Maximum of 5% of the total portfolio may be invested in the commercial paper of one issuing corporation
VML/VACO Investment Pool	20% of Portfolio	
Bankers' Acceptances	10% of Portfolio	Maximum of 25% of the total portfolio with any one institution
State Non-Arbitrage Pool	100% of Bond Proceeds Only	

Although permitted by state code, the County limits its exposure to interest rate risk and credit risk by disallowing investment in derivatives, bank notes, corporate notes, mortgage backed securities, asset backed securities, non-prime commercial paper, or stocks of other political subdivisions. The County also excludes any foreign related investments in its portfolio.

The County limits exposure to interest rate risk by limiting the maturity of investments purchased. The General Portfolio will be structured from the date of the investment so that securities mature concurrent with anticipated cash needs in conjunction with the following guidelines:

<b>Maximum Maturity</b>	<b>Allowable Allocation</b>
Less than 13 months	100% of Portfolio
Greater than 13 months and less than 24 months	15% of Portfolio
Greater than 24 months and less than 60 months	10% of prior fiscal year average balance

The Public Facilities (Proffer) will be structured from the date of the investment so that securities mature concurrent with anticipated cash needs in conjunction with below guidelines:

<b>Maximum Maturity</b>	<b>Allowable Allocation</b>
Less than 13 months	100% of Portfolio
Greater than 13 months and less than 24 months	20% of Portfolio
Greater than 24 months and less than 60 months	10% of prior fiscal year average balance

### Credit Risk:

As required by state statute, the Policy requires that commercial paper have a short-term debt rating of no less than "A-1" (or its equivalent) from Standard & Poor's and no less than "P-1" from Moody's. Investments with any banks, including CD's or bankers' acceptances, should be rated 30 or higher on SNL, and be a Qualified Virginia Depository for CD's. If a SNL rating of 30 is not met, Banks are required to have one of the following: Fitch Individual Bank rating of B or better, S&P Short Term Local Issuer Rating of A-1 or better, or Moody's Short Term Rating of P-1 or better.

Although state statute does not impose credit standards on repurchase agreement counterparties, bankers' acceptances or money market mutual funds, the County has established stringent credit standards for these investments to minimize portfolio risk.

As of June 30, 2016, the Portfolio was invested as follows:

4.54% of the portfolio was invested in "Aaa" or better rated obligations  
28.00% was invested in "A-1", "P-1", or better short term commercial paper  
32.95% was invested in "AAAm" rated state run pooled money market fund  
34.51% was invested in fully collateralized bank CD's or MMKT/Savings/NOW Accounts

Credit ratings presented in this paragraph are from Standard & Poor's, Moody's Investor Service, or Fitch Ratings.

### Concentration of Credit Risk

As of June 30, 2016, the portion of the County's portfolio, excluding the LGIP and U.S. Government guaranteed obligations, that exceed 5% of the total portfolio are as follows:

<u>Issuer</u>	<u>% of Portfolio</u>
Chevron (Fully collateralized with an A-1/P-1 credit rating)	5.48%
Toyota Motor Credit (Fully collateralized with an A-1/P-1 credit rating)	5.48%

### Interest Rate Risk

The County invests using a passive style of management; whereby securities are bought with the intention of holding them until maturity and with the assumption not all securities will be called.

The County may purchase securities whereby the interest rate increases on a periodic basis as detailed in the securities prospectus. The incremental steps are fixed amounts that have increased over time with no direct correlation to a market index. All these securities are callable, yet assumed to be held through maturity.

The County may also purchase callable securities, with limited or extended lock-in provision ensuring yield for specific time frames as specified in the security prospectus. Early call provisions may expose the County to current market conditions, which may be less favorable especially in a downward interest rate environment. Yields on callable bonds are typically higher as buyers assume more market rate risk if a call provision is exercised.

As of June 30, 2016, the following securities were held that had call features:

<b>Fund</b>	<b>Maturity Date</b>	<b>Issue</b>	<b>Fair Value</b>	<b>Par/Cost</b>	<b>Yield %</b>	<b>Step Features</b>
General Fund	7/1/2016	FAMC	\$ 5,000,000	\$ 5,000,000	0.400	1 year Bullet, non-callable
	9/8/2016	FFCB	4,999,940	5,000,000	0.48	3.5 year/3 month non-callable, quarterly thereafter
	2/21/2017	FHLB	9,971,280	10,000,000	0.630	8 month, non-callable
	11/24/2017	FHLMC	10,002,820	10,000,000	0.9	2 year/3 month non-callable, quarterly thereafter
	6/19/2018	FHLB	750,163	750,000	0.94	5 year/3 month non-callable, quarterly thereafter, annual step up
Public Facilities Fund	6/19/2018	FHLB	750,163	750,000	1.16	5 year/3 month non-callable, quarterly thereafter, annual step up
	5/24/2019	FHLMC	5,001,095	5,000,000	1.61	3 year/3 month non-callable, quarterly thereafter, annual step up
	8/26/2019	FHLMC	5,001,100	5,000,000	1.610	3 year/3 month non-callable, quarterly thereafter, annual step up

On June 30, 2016, the County had the following investments and maturities (refer to Cash and Cash Equivalents in Exhibit I, and Exhibit X):

Investment Type	Market Value	Maturity				
		Less Than 3 Months	Between 3-6 Months	Between 6-13 Months	Between 13-24 Months	Between 24-60 Months
Bank Deposits	\$ 10,176,370	\$ 10,176,370	\$ -	\$ -	\$ -	\$ -
Money Market Funds (LGIP)	447,107,247	447,107,247	-	-	-	-
Certificates of Deposit (CD) - Commercial Banks	118,720,180	10,055,157	30,048,913	73,416,427	2,818,071	2,381,612
U.S. Government Agencies	41,453,347	9,998,447	-	9,954,900	11,500,000	10,000,000
Commercial Paper (CP's)	254,511,360	20,563,796	90,133,225	143,814,339	-	-
CDARs	40,159,573	15,079,406	10,000,000	15,080,167	-	-
<b>Total Deposits and Investments</b>	<b>\$ 912,128,077</b>	<b>\$ 512,980,423</b>	<b>\$ 130,182,138</b>	<b>\$ 242,265,833</b>	<b>\$ 14,318,071</b>	<b>\$ 12,381,612</b>

The Component Unit's Student Activity Funds' cash of \$7,113,401 and petty cash of \$300, the Component Unit's component unit, Middleburg Charter School, cash of \$52,719, and the Primary Government's Employee Benefits Distribution Fund cash of \$60,000 are not under the control of the County Treasurer's Office; is not pooled with the Reporting Entity cash and investments and, therefore, is not included in the above presentation. These deposits were covered by Federal Depository Insurance or collateralized in accordance with the Virginia Security for Public Deposits Act.

#### Custodial Credit Risk

The *Code of Virginia* and Policy requires all deposit and investment securities be held by a third party in the County's name, who may not otherwise be a counterparty to the investment transaction.

As of June 30, 2016, all of the County's securities, other than bank certificates of deposit, were held in a highly rated bank's safekeeping department in the County's name.

The County invests in an externally managed investment pool, the LGIP, which is not SEC-registered. The Treasury Board of the Commonwealth of Virginia has regulatory oversight of the LGIP. It is managed as a "2a-7 like pool". The portfolio securities are valued by the amortized cost method with maturities of thirteen months or less. The fair value of the County's position in the LGIP is the same as the value of the pool shares. All other investments are stated at fair value.

All County deposits are held in Qualified Virginia Depositories, as required by the Virginia Public Deposit Act and our investment policy. The County also requires stricter guidelines on depositories, requiring a SNL National rating of 30 or higher or one of the following: Fitch Individual Bank Rating of B or better, Standard & Poor's Short Term Local Issuer A-1 or better, or Moody's Short Term P-1 or better. These ratings are issued and reviewed regularly.

The Primary Government and component unit's OPEB trust fund participates in the Virginia Pooled OPEB Trust. Funds of participating jurisdictions are pooled and invested in the name of the Virginia Pooled OPEB Trust. The Board of Trustees of the Virginia Pooled OPEB Trust establishes investment objectives, risk tolerance, and asset allocation policies in light of market and economic conditions and generally prevailing prudent investment practices. At June 30, 2016, the Primary Government's share in this pool was \$51,892,179 as reported on the face of the OPEB trust fund statement found in Schedule 31. At June 30, 2016, the Component Unit-Schools' share in this pool was \$118,843,399 as reported on the face of the Component Unit trust fund statement found in Schedule 49.

The Primary Government is the administrator of a noncontributory, single employer, defined benefit Length of Service Retirement Plan (LOSAP). The Plan was established and is maintained to provide retirement benefits to vested participants in the Plan at the time of their retirement from Fire and Rescue Volunteer Services. Investments are selected, monitored and evaluated by the LOSAP Committee of Loudoun County and investment services are provided by RBC Wealth Management. The County has a written policy establishing investment guidelines, and exercises prudent investing principals with a goal of achieving a long-term rate of return of 5.5%. General Fund plan contributions are currently held in an investment account with Comerica. Investments are held 100% in short-term money market investments. On June 30, 2016, the fair value of investments totaled \$17,906,431.

#### Fair Value Measurements

The County categorizes their fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, level 2 inputs are quoted prices in active market for similar assets, and level 3 inputs are unobservable inputs. The County gives the highest priority to unadjusted quoted process in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

Investments measured at fair value using net asset value per share (VML/VACO Pooled OPEB Trust) or amortized cost (SNAP and LGIP) are not classified in the fair value hierarchy.

The VML/VACO Pooled OPEB Trust categorizes their investments within the fair value hierarchy established by GAAP. A government is permitted in certain circumstances to establish the fair value of an investment that does not have a readily determinable fair value by using the Net Asset Value (NAV) per share (or its equivalent) of the investment. Investments in the VML/VACO Pooled OPEB Trust are valued using the NAV per share, which is determined by dividing the total value of the Trust by the number of outstanding shares. The NAV per share changes with the value of the underlying investments in the Trust. Generally, VML/VACO Pooled OPEB Trust participants may redeem their investment at the end of a calendar quarter upon 90 days' written notice.

Short-term investments, which generally include investments in money market type securities and commercial paper, are reported at amortized cost, which approximates fair value.

The County had the following recurring fair value measurements at June 30, 2016.

Certificates of Deposit of \$158,879,753 are valued using quoted market prices, a level 1 input.

U.S Government Securities of \$41,453,347 are valued using quoted market prices, a level 1 input.

#### Restricted cash and investments

Restricted cash and investments consist of the following amounts:

	<b>Governmental Activities</b>	<b>Component Unit - Schools</b>
<b>General Fund:</b>		
Volunteer Fire and Rescue LOSAP Pension Benefits	\$ 17,906,431	\$ -
General Obligation Bond Proceeds (SNAP) - Component Unit - Schools	75,653,693	-
Unspent Lease Proceeds	-	6,247,473
<b>Total General Fund</b>	<b>93,560,124</b>	<b>6,247,473</b>
<b>Capital Projects Fund:</b>		
General Obligation Bond Proceeds (SNAP)	114,736,047	-
Land Deposit - Component Unit - Schools	-	50,000
<b>Total Capital Projects Fund</b>	<b>114,736,047</b>	<b>50,000</b>
<b>Debt Service Fund:</b>		
Bond Proceeds held by SNAP for Debt Service and Capital Projects	14,698,532	-
<b>Non-Major Governmental Funds:</b>		
Transportation District Fund (LGIP)	35,228,412	-
Capital Asset Preservation Fund (SNAP)	52,434	-
<b>Total Non-Major Governmental Funds</b>	<b>35,280,846</b>	<b>-</b>
<b>Internal Service Funds:</b>		
Self Insurance Fund	1,205,000	2,719,000
<b>Total Restricted Cash and Investments</b>	<b>\$ 259,480,549</b>	<b>\$ 9,016,473</b>

#### NOTE IV – DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES

Receivables at June 30, 2016 are as follows:

	<b>Taxes</b>	<b>Accounts</b>	<b>Due from Other Governments</b>	<b>Total Receivables</b>
<b><u>Governmental Activities:</u></b>				
General Fund	\$ 32,204,343	\$ 3,356,341	\$ 37,908,873	\$ 73,469,557
Capital Projects Fund	-	2,482,506	9,529,992	12,012,498
Non-Major Governmental Funds	2,923,397	3,058,800	1,589,497	7,571,694
Internal Service Funds	-	435,933	-	435,933
Gross Receivables	35,127,740	9,333,580	49,028,362	93,489,682
Less: allowance for uncollectibles	(303,671)	-	-	(303,671)
<b>Total Governmental Activities</b>	<b>\$ 34,824,069</b>	<b>\$ 9,333,580</b>	<b>\$ 49,028,362</b>	<b>\$ 93,186,011</b>
<b><u>Component Unit - Schools:</u></b>				
General Fund	\$ -	\$ 1,705,117	\$ 14,136,811	\$ 15,841,928
Special Revenue Fund	-	1,505,421	4,150,310	5,655,731
Capital Improvements Fund	-	250,000	-	250,000
Internal Service Funds	-	408,380	-	408,380
<b>Total Component Unit - Schools</b>	<b>\$ -</b>	<b>\$ 3,868,918</b>	<b>\$ 18,287,121</b>	<b>\$ 22,156,039</b>

Payables at June 30, 2016 are as follows:

	Vendors	Accrued Interest	Salaries and Benefits	Total Payables
<b><u>Governmental Activities:</u></b>				
General Fund	\$ 8,568,376	\$ -	\$ 10,620,304	\$ 19,188,680
Capital Projects Fund	14,877,904	-	3,622	14,881,526
Debt Service Fund	277,494	7,410,550	-	7,688,044
Non-Major Governmental Funds	6,886,716	-	44,324	6,931,040
Internal Service Funds	1,320,939	-	343,141	1,664,080
<b>Total Governmental Activities</b>	<b>\$ 31,931,429</b>	<b>\$ 7,410,550</b>	<b>\$ 11,011,391</b>	<b>\$ 50,353,370</b>
<b><u>Component Unit - Schools:</u></b>				
General Fund	\$ 5,530,671	\$ 284,120	\$ 63,251,100	\$ 69,065,891
Capital Improvements Fund	13,454,956	-	18,364,413	31,819,369
Special Revenue Fund	1,389,004	-	4,542,850	5,931,854
Capital Asset Replacement Fund	1,039,820	-	95	1,039,915
Internal Service Funds	190,680	-	672,962	863,642
Middleburg Charter School	18,538	-	-	18,538
<b>Total Component Unit - Schools</b>	<b>\$ 21,623,669</b>	<b>\$ 284,120</b>	<b>\$ 86,831,420</b>	<b>\$ 108,739,209</b>

#### **NOTE V – INTERFUND BALANCES**

Payments for all expenditures and receipts for all revenue collections are transacted through the General Fund on behalf of all other funds of the County for the primary purpose of providing operational support for the receiving fund. As a result, interfund payables are recorded in the General Fund when revenue is received on behalf of another fund and when amounts are transferred to other funds based on budgetary authorization. Interfund receivables are recorded in the General Fund when expenditures are paid on behalf of another fund. All interfund balances are expected to be paid within one year. The composition of interfund balances as of June 30, 2016 is as follows:

	Interfund Receivables	Interfund Payables
<b><u>Governmental Activities</u></b>		
General Fund	\$ -	\$ 514,902,233
Capital Projects Fund	240,454,265	-
Debt Service Fund	46,703,660	-
Non-Major Governmental Funds	184,215,162	5,759,679
Internal Service Funds	49,288,825	-
<b>Total</b>	<b>\$ 520,661,912</b>	<b>\$ 520,661,912</b>

#### **NOTE VI – INTERFUND TRANSFERS**

The primary purpose of interfund transfers is to provide funding for operations, debt service, and capital projects. Transfers move revenue from the fund that statute or budget requires to collect it to the fund that statute or budget requires to expend it and use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgeting authorization. Interfund transfers for the year ended June 30, 2016 consist of the following:

Transfers Out	Transfers In					Total
	General Fund	Capital Projects Fund	Debt Service Fund	Non-Major Governmental Funds	Internal Service Funds	
General Fund	\$ -	\$ 43,450,503	\$ 161,443,229	\$ 30,640,872	\$ 4,292,466	\$ 239,827,070
Capital Projects Fund	5,851,093	-	16,685,421	-	174,823	22,711,337
Debt Service Fund	180,000	7,020,280	-	-	-	7,200,280
Non-Major Governmental Funds	8,720,792	266,880,746	22,500	63,613,553	42,168	339,279,759
<b>Total Primary Government</b>	<b>\$ 14,751,885</b>	<b>\$ 317,351,529</b>	<b>\$ 178,151,151</b>	<b>\$ 94,254,425</b>	<b>\$ 4,509,456</b>	<b>\$ 609,018,446</b>

During the year ending June 30, 2016, the County made the following one-time transfers:

- 1) The General Fund returned \$1,785,827 to the Transportation District Fund.
- 2) The General Fund Transferred \$300,000 to the Self Insurance Fund.

- 3) One time transfers to the Capital Projects fund to finance capital construction include \$13,725,457 from the General Fund, \$8,991,888 from the Public Facilities Fund and \$29,770,765 from the Transportation District Fund.
- 4) House Bill 2313 enacted during the 2013 Virginia General Assembly session established revenue sources dedicated to transportation and transit for Northern Virginia and designated the Northern Virginia Transportation Authority as the organization responsible for managing the revenue sources. Guidelines require certain transportation related revenues to flow through a dedicated fund. The County has elected to use the Transportation District Fund for these revenues. Accordingly, the following transfers were made: \$16,095,000 from the General Fund to the Transportation District Fund; \$21,070,349 from the Public Facilities Fund to the Transportation District Fund, \$37,165,349 from the Transportation District Fund to the Capital Projects Fund and \$42,396,239 from the Transportation District Fund to the Capital Projects Fund for TIFIA loan proceeds.

#### **NOTE VII - NONCURRENT NOTES AND LOANS RECEIVABLE - PRIMARY GOVERNMENT**

Noncurrent notes and loans receivable consisted of the following at June 30, 2016.

Notes and Loans Receivable	\$ 4,290,743
Allowance for Uncollectibles	<u>(1,248,587)</u>
<b>Net Notes and Loans Receivable</b>	<b><u>\$ 3,042,156</u></b>

Of the gross amount of notes and loans receivable, \$203,724 represents loans made to volunteer fire and rescue companies in the County for the purchase of equipment or the renovation and expansion of the companies' facilities. \$612,161 represents loans to towns and Loudoun Water, formerly known as the Loudoun County Sanitation Authority, for the expansion of sewage services. Sewage connection fees are used to repay these loans. The remaining \$3,474,858 represents loans to individuals/families under the Affordable Housing Project and Public Employee Home Ownership Grant.

#### **NOTE VIII – CAPITAL ASSETS**

Capital assets activity for the Primary Government for the year ended June 30, 2016 is as follows:

	<b>Primary Government</b>				
	<b>Balance June 30, 2015</b>	<b>Additions/ Increases</b>	<b>Retirements/ Decreases</b>	<b>Transfers</b>	<b>Balance June 30, 2016</b>
<b><u>Capital Assets Not Being Depreciated:</u></b>					
Land	\$ 140,905,507	\$ 13,271,490	\$ (7,361,500)	\$ -	\$ 146,815,497
Infrastructure - Ponds	72,165,691	14,966,066	-	-	87,131,757
Construction in Progress	69,735,091	41,254,102	-	(14,504,698)	96,484,495
<b>Total Capital Assets Not Being Depreciated</b>	<b>\$ 282,806,289</b>	<b>\$ 69,491,658</b>	<b>\$ (7,361,500)</b>	<b>\$ (14,504,698)</b>	<b>\$ 330,431,749</b>
<b><u>Depreciable Capital Assets:</u></b>					
Buildings	\$ 425,824,943	\$ 28,659,257	\$ -	\$ 5,364,385	\$ 459,848,585
Improvements Other Than Buildings	40,574,912	-	-	8,965,490	49,540,402
Equipment	188,094,029	16,939,902	(19,253,723)	174,823	185,955,031
Infrastructure	501,663,303	23,968,780	-	-	525,632,083
<b>Total Depreciable Capital Assets</b>	<b>\$ 1,156,157,187</b>	<b>\$ 69,567,939</b>	<b>\$ (19,253,723)</b>	<b>\$ 14,504,698</b>	<b>\$ 1,220,976,101</b>
<b><u>Less Accumulated Depreciation for:</u></b>					
Buildings	\$ (86,753,767)	\$ (10,529,764)	\$ -	\$ -	\$ (97,283,531)
Improvements Other Than Buildings	(18,752,343)	(4,134,402)	-	-	(22,886,745)
Equipment	(119,536,217)	(15,111,898)	19,029,236	-	(115,618,879)
Infrastructure	(104,861,636)	(9,755,997)	-	-	(114,617,633)
<b>Total Accumulated Depreciation</b>	<b>\$ (329,903,963)</b>	<b>\$ (39,532,061)</b>	<b>\$ 19,029,236</b>	<b>\$ -</b>	<b>\$ (350,406,788)</b>
<b>Depreciable Capital Assets, Net</b>	<b>\$ 826,253,224</b>	<b>\$ 30,035,878</b>	<b>\$ (224,487)</b>	<b>\$ 14,504,698</b>	<b>\$ 870,569,313</b>
<b>Total Capital Assets</b>	<b>\$ 1,109,059,513</b>	<b>\$ 99,527,536</b>	<b>\$ (7,585,987)</b>	<b>\$ -</b>	<b>\$ 1,201,001,062</b>

Primary government capital assets, net of accumulated depreciation, at June 30, 2016 are comprised of the following:

General Capital Assets, Net	\$ 1,165,622,673
Internal Service Fund Capital Assets, Net	35,378,389
<b>Total Capital Assets, Net</b>	<b><u>\$ 1,201,001,062</u></b>

Depreciation was charged to governmental functions as follows:

General government administration	\$	6,319,570
Judicial administration		745,148
Public safety		10,468,286
Public works		11,613,430
Health and welfare		1,446,636
Parks, recreation and culture		6,644,162
Community development		2,294,829
<b>Total Depreciation</b>	<b>\$</b>	<b>39,532,061</b>

Capital asset activity for the Schools for the year ended June 30, 2016 is as follows:

	Component Unit - Schools				
	Balance June 30, 2015	Additions/ Increases	Retirements/ Decreases	Transfers	Balance June 30, 2016
<b>Capital Assets Not Being Depreciated:</b>					
Land	\$ 148,258,289	\$ 51,451		\$ -	\$ 148,309,740
Construction in Progress	90,927,190	96,637,589	\$ (103,402,280)	-	84,162,499
<b>Total Capital Assets Not Being Depreciated</b>	<b>\$ 239,185,479</b>	<b>\$ 96,689,040</b>	<b>\$ (103,402,280)</b>	<b>\$ -</b>	<b>\$ 232,472,239</b>
<b>Depreciable Capital Assets:</b>					
Buildings	\$ 1,651,552,934	\$ 103,369,930	\$ (47,598)	\$ -	\$ 1,754,875,266
Improvements Other Than Buildings	1,676,814	2,614,577	-	-	4,291,391
Equipment	132,112,194	4,238,113	(3,438,584)	-	132,911,723
Infrastructure	1,121	-	-	-	1,121
<b>Total Depreciable Capital Assets</b>	<b>\$ 1,785,343,063</b>	<b>\$ 110,222,620</b>	<b>\$ (3,486,182)</b>	<b>\$ -</b>	<b>\$ 1,892,079,501</b>
<b>Less Accumulated Depreciation for:</b>					
Buildings	\$ (361,002,104)	\$ (38,984,507)	\$ 47,598	\$ -	\$ (399,939,013)
Improvements Other Than Buildings	(1,012,090)	(74,178)	-	-	(1,086,268)
Equipment	(111,041,705)	(7,115,290)	3,349,001	-	(114,807,994)
Infrastructure	(308)	(56)	-	-	(364)
<b>Total Accumulated Depreciation</b>	<b>\$ (473,056,207)</b>	<b>\$ (46,174,031)</b>	<b>\$ 3,396,599</b>	<b>\$ -</b>	<b>\$ (515,833,639)</b>
<b>Depreciable Capital Assets, Net</b>	<b>\$ 1,312,286,856</b>	<b>\$ 64,048,589</b>	<b>\$ (89,583)</b>	<b>\$ -</b>	<b>\$ 1,376,245,862</b>
<b>Total Capital Assets, net</b>	<b>\$ 1,551,472,335</b>	<b>\$ 160,737,629</b>	<b>\$ (103,491,863)</b>	<b>\$ -</b>	<b>\$ 1,608,718,101</b>

Construction in progress and construction commitments are composed of the following:

	Program Authorization	Transferred to Fixed Assets by June 30, 2016	Non-Capital Projects in Process at June 30, 2016	Non-Capital Projects Completed by June 30, 2016	Capital Construction in Progress at June 30, 2016	Capital Construction Commitments at June 30, 2016	Remaining to be Committed at June 30, 2016
General Government Admin.	\$ 309,498,585	\$ 110,217,307	\$ 18,251,147	\$ 14,911,919	\$ 39,754,489	\$ 5,719,055	\$ 120,644,668
Judicial Administration	53,843,067	30,939,792	-	-	4,204,181	3,549,456	15,149,638
Public Safety	355,134,248	157,637,596	14,536,139	3,201,890	17,461,201	18,011,603	144,285,819
Public Works	113,004,632	5,992,986	14,243,522	820,423	1,585,668	6,125,443	84,236,590
Health and Welfare	22,924,205	5,853,317	3,289,341	5,795	9,597	126,515	13,639,640
Parks, Recreation and Culture	195,091,221	44,798,152	4,422,276	1,467,648	30,963,457	27,778,758	85,660,930
Community Development	903,757,421	77,107,842	259,865,727	36,884,593	2,505,902	117,449,442	409,943,915
<b>Total Primary Government</b>	<b>\$ 1,953,253,379</b>	<b>\$ 432,546,992</b>	<b>\$ 314,608,152</b>	<b>\$ 57,292,268</b>	<b>\$ 96,484,495</b>	<b>\$ 178,760,272</b>	<b>\$ 873,561,200</b>

The County engages in certain construction projects that will not be transferred to fixed assets when the project is complete. These projects consist of transportation projects, such road construction and mass transit, and public safety projects such as volunteer fire & rescue facilities improvements and equipment, of which the County will not have ownership.

At June 30, 2016, the Schools had contractual commitments of \$141,476,307 in the Capital Improvements Fund for construction of various projects.

#### **NOTE IX - ENCUMBRANCES**

The County uses encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to reserve that portion of the applicable appropriation. Encumbrances represent the estimated amount of expenditures that will ultimately result if unperformed contracts and open purchase orders are completed. Encumbrances for the capital projects funds do not lapse until the completion of the projects and are reported as committed fund balance unless restricted by debt covenants, which are reported as restricted fund balance. Funding for all other encumbrances lapses at year end and requires reappropriation by the Board, which is done annually through the appropriations resolution. These encumbrances are reported as either committed fund balance, if contractual obligations exist, or assigned fund balance. Funds with significant encumbrance balances are as follows:

General Fund	\$ 8,571,910
Capital Projects Fund	178,760,272
Internal Service Funds	3,621,126
Non-Major Governmental Funds	5,331,361
<b>Total</b>	<b><u>\$196,284,669</u></b>

#### **NOTE X - RISK MANAGEMENT**

The County's property and liability including automobile and public officials' liability are administered through the Virginia Association of Counties (VACo). These coverages have variable per occurrence limits in place by coverage type ranging from \$1 million to \$50 million. The general liability and automobile coverage each have a \$250,000 deductible, \$2 million per occurrence limit along with a \$10 million aggregate limit. The County is also insured for constitutional officers and law-enforcement liability risk through the State Division of Risk Management. These programs have a \$1.5 million per occurrence limit through the state plan as well as an excess policy for an additional \$3 million through VACo. These policies insure the County Sheriff's Department, other County enforcement agencies, and all elected constitutional officers and their employees against certain types of claims. Claims that arose from incidents occurring prior to the existence of all the foregoing agreements are covered under the County's previous commercial insurance programs.

The School's property and liability insurance program is provided through membership in the Virginia Association of Counties Group Self-Insurance Risk Pool. Member jurisdictions contribute to the pool based on their risk exposures and past claims experience. The property coverage program consists of blanket replacement cost business real and personal property insurance, boiler and machinery insurance, comprehensive crime and employee dishonesty insurance, and automobile physical damage insurance. The business real and personal property insurance carries a \$5,000 deductible per occurrence with the balance of the property coverages carrying a \$2,500 deductible per occurrence. The liability insurance program consists of first dollar insurance for general liability, school board legal professional liability, automobile liability, and excess liability for a total limit of \$11 million per occurrence (no annual aggregate, deductible or retention applies). Claims that arose from incidents occurring prior to the existence of all the foregoing agreements are covered under the Schools' previous commercial insurance programs.

In 1989, the County received a Certificate as a Qualified Self-Insurer from the Virginia Workers Compensation Commission. At that time, the County began to self-insure general government workers' compensation. The County has excess coverage limiting claims against the self-insurance fund to \$900,000. A reserve for pending claims and incurred but not reported claims has been accrued as a liability within the self-insurance fund as an estimate based on information received from the County's outside actuary, AON Hewitt Consulting.

In 1990, the Schools received a Certificate as a Qualified Self-Insurer from the Virginia Workers' Compensation Commission. At that time, the Schools began to self-insure statutory workers' compensation and employer's liability coverages. At the same time, the Schools purchased excess workers' compensation and employer's liability insurance from a commercial carrier. The excess insurance is currently provided through Virginia School Boards Association. It provides statutory coverage and limits individual claims against the self-insurance program with a specific retention level of \$500,000 per occurrence. A reserve for pending claims and incurred but not reported claims has been accrued as a liability within the self-insurance funds as an estimate based on information received from AON Hewitt Consulting. Workers' Compensation claims that arose from incidents occurring prior to the self-insured program are covered under the Schools' previous commercial insurance carrier.

The County and Schools contract with a third-party administrator to adjust workers' compensation claims, provide underwriting services, and recommend reserve levels, including claims reported but not settled. Claims not closed as of January 1, 1990, remain with the Virginia Municipal Group Self-Insurance Association. The following table shows the amounts that have been accrued for workers' compensation as a liability within the self-insurance fund. The County's administrator is Healthsmart Casualty Claims Solutions, and the Schools' administrator is PMA Companies.

	<b>WORKERS' COMPENSATION</b>		
	<b>Primary Government</b>	<b>Component Unit - Schools</b>	<b>Total</b>
<b><u>Fiscal Year 2015</u></b>			
Unpaid Claims Beginning of Fiscal Year	\$ 6,681,630	\$ 4,513,570	\$ 11,195,200
Incurred Claims (Including IBNR)	2,045,355	4,254,705	6,300,060
Claim Payments	(1,957,570)	(3,739,206)	(5,696,776)
<b>Unpaid Claims End of Fiscal Year</b>	<b>\$ 6,769,415</b>	<b>\$ 5,029,069</b>	<b>\$ 11,798,484</b>
<b><u>Fiscal Year 2016</u></b>			
Unpaid Claims Beginning of Fiscal Year	\$ 6,769,415	\$ 5,029,069	\$ 11,798,484
Incurred Claims (Including IBNR)	1,277,584	2,452,641	3,730,225
Claim Payments	(1,651,157)	(2,452,767)	(4,103,924)
<b>Unpaid Claims End of Fiscal Year</b>	<b>\$ 6,395,842</b>	<b>\$ 5,028,943</b>	<b>\$ 11,424,785</b>



On October 1, 1994, the County and Schools began to self-insure health care for all eligible employees and retirees by contracting with providers for administrative services only. Services under these contracts include claims adjudication, disease management and lifestyle programs, and wellness initiatives. The Board of Supervisors and School Board have the authority to modify the provisions of the County and School's active and post-employment benefits program. Eligibility requirements were modified in September 2009 for both active employees and retirees.

Eligible employees for the County include regular staff working twenty (20) or more hours per week, and temporary employees working thirty (30) or more hours per week for a period of 90 days or longer. In accordance with the Affordable Care Act (ACA) beginning in 2015 any employee who works an average of thirty (30) or more hours within a designated "measurement period" will be eligible to enroll in a county-sponsored health plan. Effective July 1, 2014 group coverage for Medicare eligible retirees transitioned to Cigna Medicare Surround and Cigna RX which coordinates with Medicare. Eligible retirees include retirees who have ten (10) years of County employment and who immediately begin drawing a retirement annuity from the Virginia Retirement System. Effective January 1, 2013, employees were designated into OPEB groups based on years of service and/or age. Employees less than 35 years of age as of January 1, 2013 must have fifteen (15) years of County employment at retirement to be eligible for retiree health. Other cost savings measures including caps on employer cost sharing, eligibility for new hires, implementation of a Retirement Health Savings Plan and a 10% aggregate cost shift to retirees were put into place to mitigate OPEB costs going forward as well as to reduce the County's Annual Required Contribution (ARC). Employer contribution rates for County employees vary depending on budgeted hours. Employer contribution rates for retirees vary based on the type of retirement, years of service, plan type, and coverage level.

CIGNA Healthcare is contracted as the third-party administrator for the medical plans. The County and Schools offer two (2) medical plan options, a Point of Service (POS) Plan and an Open Access Plus (OAP) Plan. Additionally, the County offers a Consumer Driven Health Plan (CDHP) with Health Savings Account (HSA) or Health Reimbursement Arrangement (HRA). In-network services for the POS are covered at 100% with a \$20 office visit co-pay for Primary Care Physicians, and a \$35 office visit co-pay for Specialists. Participants may choose to receive services out-of-network, subject to a \$1,500 deductible and 20% co-insurance. Services for the OAP are covered at 90% in-network co-insurance, subject to a \$250 deductible and, 70% out-of-network, subject to a \$1,500 deductible. The CDHP option also provides both in and out-of-network benefits. The CDHP includes a \$1,500 in-network deductible and 10% in-network coinsurance, \$2,500 out-of-network deductible and 30% co-insurance along with an Employer HSA/HRA contribution. Express Scripts is the third-party administrator for prescription drug benefits. Prescription drug coverage is included with all medical plans utilizing a three tier co-pay structure and mail-order option. Delta Dental of VA is the third-party administrator for dental benefits providing coverage for preventative, restorative, major services and orthodontia utilizing a co-insurance structure. Restorative and major services are subject to a \$50 deductible. Davis Vision is the third-party administrator for routine vision care benefits utilizing a co-pay structure for exams and materials.

The County and Schools purchase specific stop-loss insurance from Connecticut General Life Insurance Company (CIGNA) limiting claims against the self-insurance program to \$440,000 per occurrence for individual claims for the County and \$385,000 for Schools. The following table shows the amounts that have been accrued as a liability within the self-insurance fund based upon an estimate from the County's outside actuary, AON Hewitt Consulting.

	HEALTH INSURANCE		
	Primary Government	Component Unit - Schools	Total
<b>Fiscal Year 2015</b>			
Unpaid Claims Beginning of Fiscal Year	\$ 3,026,330	\$ 9,735,164	\$ 12,761,494
Incurred Claims (Including IBNR)	46,195,802	137,596,616	183,792,418
Claim Payments	(46,003,330)	(136,855,470)	(182,858,800)
<b>Unpaid Claims End of Fiscal Year</b>	<b>\$ 3,218,802</b>	<b>\$ 10,476,310</b>	<b>\$ 13,695,112</b>
<b>Fiscal Year 2016</b>			
Unpaid Claims Beginning of Fiscal Year	\$ 3,218,802	\$ 10,476,310	\$ 13,695,112
Incurred Claims (Including IBNR)	49,355,081	133,815,585	183,170,666
Claim Payments	(48,429,513)	(135,232,508)	(183,662,021)
<b>Unpaid Claims End of Fiscal Year</b>	<b>\$ 4,144,370</b>	<b>\$ 9,059,387</b>	<b>\$ 13,203,757</b>

The Board of Supervisors has the authority to modify the provisions of the County's active and postemployment benefits program. As of June 30, 2016, 556 retirees or individuals who qualify for disability retirement met the eligibility requirements and are enrolled in the program. During fiscal year 2016, expenditures of \$5,292,211 were recorded for retirement health care benefits. These amounts are not accrued over the employees' time of service, but are expensed as incurred.

#### **NOTE XI – OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS**

##### **1. Plan Description**

The Loudoun County OPEB Trust Fund is a single-employer defined benefit healthcare plan (the Plan) administered by the County. The Plan provides healthcare insurance for eligible retirees and their family through the County's group health insurance plan, which covers both active and retired members. Retired employees of the County who participate in the retiree medical plans pay a percentage, based on the type of retirement, years of service and type of coverage, of 90 percent of the full active premium rate to continue coverage. In order to participate, the retirees must be a full-time employee who retires directly from the County,

and is eligible to receive an early retirement benefit from the VRS. In addition, they must immediately begin receiving a retirement annuity from VRS.

## 2. Funding Policy

The contribution requirements of plan members of the County are established and may be amended by the Board of Supervisors. The contributions are based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits.

The County participates in the Virginia Pooled OPEB Trust Fund, which was established as an investment vehicle for participating employers to accumulate assets to fund OPEB. Plan assets for purposes of GAAP are usually in the form of stocks, bonds, and other classes of investments, that have been segregated and restricted in a trust, in which (a) contributions to the plan are irrevocable, (b) assets are dedicated to providing benefits to retirees and their beneficiaries, and (c) assets are legally protected from creditors of the employer or plan administrator, for the payment of benefits in accordance with the terms of the plan. The Trust Fund issues a separate report, which can be obtained by requesting a copy from the plan administrator, Virginia Municipal League and the Virginia Association of Counties Finance Program, 1108 East Main Street, Richmond, Virginia 23219.

## 3. Annual OPEB Cost and Net OPEB Obligation

The County is required to contribute the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GAAP. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The current employer contribution rates for the County and the Schools are 150.87% and 114.50% respectively.

The annual OPEB cost and net OPEB obligation for the Primary Government is based on an estimated discount rate of 6.5% including an inflationary component of 2.5%. The annual OPEB cost and net OPEB obligation for the Schools is based on a blended rate of 5.5% between the unfunded rate of 4.0% and the funded rate of 7.0%. Both the County and Schools are amortizing the initial unfunded actuarial liability on an open basis over 30 years based on a level percent of payroll method. The remaining amortization period is 30 years. The annual OPEB cost and net OPEB obligation for 2016 for the Primary Government and Component Unit is as follows:

	Primary Government	Component Unit - Schools
Discount Rate	6.50%	7.00%
Annual Required Contribution (ARC)	\$ 6,467,000	\$ 19,524,000
Interest on Net OPEB Obligation	1,146,000	6,939,000
Adjustment to Annual Required Contribution	(862,000)	(5,287,000)
<b>Annual OPEB Cost (expense)</b>	<b>\$ 6,751,000</b>	<b>\$ 21,176,000</b>
Actual Contributions	(10,185,553)	(24,247,438)
Decrease in net OPEB Obligation	(3,434,553)	(3,071,438)
Net OPEB Obligation, Beginning of Year	17,635,151	99,130,873
Retirement Health Savings	(2,754,075)	-
<b>Net OPEB Obligation, End of Year</b>	<b>\$ 11,446,523</b>	<b>\$ 96,059,435</b>
Actual Contribution Rate	150.87%	114.50%

The County and School's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB Obligation for fiscal year 2016 and the preceding two fiscal years were as follows:

Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Contributed	Net OPEB Obligation
<b>Primary Government</b>			
6/30/2016	\$ 6,751,000	150.87%	\$ 11,446,523
6/30/2015	\$ 7,232,354	138.18%	\$ 17,635,151
6/30/2014	\$ 6,934,044	138.49%	\$ 22,833,637
<b>Component Unit - Schools</b>			
6/30/2016	\$ 21,176,000	114.50%	\$ 96,059,435
6/30/2015	\$ 23,015,000	107.50%	\$ 99,130,873
6/30/2014	\$ 23,953,000	97.13%	\$ 100,855,960

The projection of future benefit payment for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment,

mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, also presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

For the year ended June 30, 2016, the Primary Government and the Component Unit – Schools' OPEB funding progress are as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
<b>Primary Government</b>						
07/01/2015	\$ 45,456,000	\$ 101,839,000	\$ 56,383,000	44.64%	\$ 157,758,000	35.74%
07/01/2013*	28,757,000	65,842,000	37,085,000	43.68%	165,086,213	22.46%
07/01/2011*	15,055,000	111,771,000	96,716,000	13.47%	163,737,000	59.07%
<b>Component Unit - Schools</b>						
07/01/2015	\$ 104,705,000	\$ 258,306,000	\$ 153,601,000	40.54%	\$ 506,291,000	30.34%
07/01/2014*	91,482,000	264,365,000	172,883,000	34.60%	477,137,000	36.23%
07/01/2013*	68,268,000	255,113,000	186,845,000	26.80%	468,435,000	39.89%
07/01/2012*	52,500,000	351,778,821	299,278,821	14.92%	377,195,000	81.92%

\* Required Supplementary Information – Unaudited

The most recent actuarial valuation was completed on July 1, 2015 and for financial reporting purposes, the actuarial valuation will be performed at least biennially.

#### 4. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The ARC for FY 2016 was determined as part of the July 1, 2015 actuarial valuation using the Projected Unit Credit actuarial cost method. Under this method, benefits are projected for life and their present value is determined. The present value is divided into equal parts, which are earned over the period from date of hire to the full eligibility date.

Because the Schools is prefunding its benefits, the actuarial assumptions include a 7.5 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on program assets and on Schools' investments.

Projected health care cost trend rates for medical benefits (including prescription drugs) for Pre-Medicare rates begin at 7.0 percent initially, and are reduced by .50% over five years to an ultimate rate of 5 percent (7%, 6.5%, 6%, 5.5%, 5%, 5%, 5%). Post Medicare rates begin at 6.5 percent initially, and are reduced by .25% over seven years to an ultimate rate of 5 percent (6.5%, 6.25%, 6%, 5.75%, 5.5%, 5.25%, 5%). These trend rates include an inflationary component of 2.5 percent.

Schools' investment rate of return and the annual healthcare cost trend rate both include a 3.25 percent wage inflation assumption. The UAAL is amortized as a level percentage of pay over an open period of 30 years.

#### **NOTE XII - OPERATING LEASES**

The County has various long-term non-cancelable operating lease agreements for property and equipment, which expire through fiscal year 2026. Total costs for such leases were \$7,386,060 for fiscal year 2016. Property leases generally provide renewal options and increases based on the Consumer Price Index. The Component Unit-Schools has no operating lease agreements as of June 30, 2016. Non-cancelable operating leases include the following minimum annual rental payments as of June 30, 2016:

Fiscal Year	Primary Government
2017	\$5,159,501
2018	4,286,833
2019	3,071,747
2020	2,255,625
2021	1,331,100
2022-2026	8,626,247
<b>Total</b>	<b>\$24,731,053</b>

**NOTE XIII - CAPITAL LEASES**

Capital leases for property and equipment include the following minimum annual lease payments as of June 30, 2016.

Fiscal Year	Primary Government		Component Unit-Schools	
	Principal	Interest	Principal	Interest
2017	\$ 17,470,000	\$ 8,560,940	\$ 9,972,603	\$ 300,748
2018	16,505,000	7,866,658	7,535,359	185,682
2019	16,145,000	7,141,662	5,061,159	97,456
2020	16,265,000	6,458,569	2,549,389	33,652
2021	12,790,000	5,881,225	-	-
2022-2026	56,840,000	21,252,869	-	-
2027-2031	48,485,000	9,463,769	-	-
2032-2036	25,635,000	2,131,119	-	-
<b>Capital Lease Obligations</b>	<b>\$ 210,135,000</b>	<b>\$ 68,756,811</b>	<b>\$ 25,118,510</b>	<b>\$ 617,538</b>

Capital leases payable as of June 30, 2016 are composed of the following individual items:

Date Issued	Final Maturity	Interest Rate	Issued Amount	Balance at June 30, 2016	Type of Project Financed (the assets acquired secured the related capital lease)
<b>Primary Government</b>					
12/10/08	Oct 2028	4.69%	46,240,000	6,965,000	Public Safety Facilities
06/17/09	Oct 2019	2.97%	36,000,000	14,400,000	Capital Vehicles / Computer Equipment
11/19/09	Oct 2016	2.55%	7,745,000	1,105,000	Capital Vehicles / Computer Equipment
03/15/10	Feb 2030	3.43%	985,000	740,000	Public Safety Facilities
06/16/10	Oct 2030	3.84%	7,140,000	5,340,000	Landfill Facilities
06/28/11	May 2031	3.89%	36,240,000	29,055,000	Government Office Facilities
11/01/12	Dec 2023	1.68%	14,935,000	12,365,000	Public Safety Facility
02/25/15	Dec 2034	2.79%	30,985,000	28,980,000	Government Facilities / Transportation Project
11/12/15	Dec 2035	2.76%	75,390,000	75,390,000	Government Facilities / Computer Systems / Transportation Projects
06/08/16	Dec 2035	2.02%	35,795,000	35,795,000	Government Facilities / Transportation Project
<b>Total Primary Government</b>			<b>\$ 291,455,000</b>	<b>\$ 210,135,000</b>	
<b>Component Unit - Schools</b>					
08/27/12	Aug 2016	1.10%	9,926,000	2,524,435	Capital Vehicles / Computers / Equipment
07/24/13	Jul 2017	0.99%	10,000,000	5,049,448	Capital Vehicles / Computers / Equipment
07/18/14	Jul 2018	1.20%	10,000,000	7,544,627	Capital Vehicles / Computers / Equipment
07/24/15	Jul 2019	1.32%	10,000,000	10,000,000	Capital Vehicles / Computers / Equipment
<b>Total Component Unit - Schools</b>			<b>\$ 39,926,000</b>	<b>\$ 25,118,510</b>	

Assets acquired under capital leases by major asset class for the Primary Government at June 30, 2016, are as follows:

Primary Government		
Major Asset Class	Issued Amount	Balance at June 30, 2016
Buildings	\$ 182,382,145	\$ 130,272,776
Computer Equipment	39,316,400	18,539,876
Vehicles	11,528,600	4,065,124
<b>Total Primary Government</b>	<b>\$ 233,227,145</b>	<b>\$ 152,877,776</b>

\$58,227,855 of the proceeds from capital leases entered into in Feb. 2015, Nov. 2015 and June 2016 is being used to construct transportation projects, which will not become assets at the end of the lease term. The ownership of the projects will be transferred to the Virginia Department of Transportation or other regional organizations for future maintenance; therefore, as of June 30, 2016, \$57,257,224 is not assigned to a major asset class.

**NOTE XIV – LONG TERM OBLIGATIONS**

The following is a summary of changes in long-term obligations of the Primary Government and Schools for the year ended June 30, 2016:

	Balance at June 30, 2015	Additions	Reductions	Balance at June 30, 2016	Amounts Due Within One Year
<b>Primary Government</b>					
Compensated Absences	\$ 26,653,677	\$ 3,672,639	\$ 1,818,205	\$ 28,508,111	\$ 1,596,454
Claims Payable	9,988,217	50,632,665	50,080,670	10,540,212	7,889,016
Landfill Closure and Postclosure Care	20,316,887	1,116,527	-	21,433,414	-
Other Postemployment Benefits	17,635,151	6,751,000	12,939,628	11,446,523	-
Net Pension Obligation	50,884,934	61,910,476	54,518,161	58,277,249	-
General Obligation Bonds	978,795,000	147,990,000	171,145,000	955,640,000	98,085,000
Unamortized Bond Premium	72,257,517	34,120,122	16,363,316	90,014,323	12,271,941
Federal Loans	11,271,200	42,396,239	63,224	53,604,215	-
Capital Leases	134,430,000	111,185,000	35,480,000	210,135,000	17,470,000
<b>Total Primary Government</b>	<b>\$ 1,322,232,583</b>	<b>\$ 459,774,668</b>	<b>\$ 342,408,204</b>	<b>\$ 1,439,599,047</b>	<b>\$ 137,312,411</b>
<b>Component Unit - Schools</b>					
Compensated Absences	\$ 23,351,303	\$ 3,934,496	\$ 2,472,126	\$ 24,813,673	\$ 2,722,453
Claims Payable	15,505,379	136,268,226	137,685,275	14,088,330	13,639,241
Other Postemployment Benefits	99,130,873	21,176,000	24,247,438	96,059,435	-
Net Pension Obligation	749,391,607	231,380,393	171,729,000	809,043,000	-
Capital Leases	24,332,958	10,000,000	9,214,448	25,118,510	9,972,603
<b>Total Component Unit-Schools</b>	<b>\$ 911,712,120</b>	<b>\$ 402,759,115</b>	<b>\$ 345,348,287</b>	<b>\$ 969,122,948</b>	<b>\$ 26,334,297</b>

Long-term obligations of governmental activities are generally liquidated by the General Fund, except for claims liabilities and a portion of the net pension obligation, which are liquidated by the internal service fund. See Note XI for additional information on Other Postemployment Benefits liability.

Bonds and loans payable as of June 30, 2016 are as follows:

General Obligation Bonds:

Balance at June 30, 2016

\$10,000,000 School Construction Bonds, Series 1997A, due in annual installments of \$500,000 through 2017, interest from 5.10% to 6.10%. The proceeds of these bonds were used for new school and technology construction.	\$1,000,000
\$20,235,000 School Construction Bonds, Series 1999A, due in annual installments of \$1,010,000 to \$1,015,000 through 2020, interest from 4.10% to 5.23%. The proceeds of these bonds were used for new school and technology construction.	4,040,000
\$3,020,000 School Construction Bonds, Series 2000A, due in annual installments of \$150,000 to \$155,000 through 2021, interest from 5.10% to 6.35%. The proceeds of these bonds were used to finance the design, construction, and equipping of a gymnasium and addition to an existing elementary school in the County.	750,000
\$12,060,000 School Construction Bonds, Series 2001A, due in annual installments of \$600,000 to \$605,000 through 2021, interest from 4.10% to 5.60%. The proceeds of these bonds were used to finance the design, construction, and equipping of an elementary school in the County.	3,600,000
\$66,525,000 School Construction Bonds, Series 2004B, due in annual installments of \$3,325,000 to \$3,330,000 through 2024, interest from 4.10% to 5.60%. The proceeds of these bonds were used to finance the design, construction, and equipping of public schools and a school administration building in the County.	29,925,000
\$15,225,000 School Construction Bonds, Series 2006A, due in annual installments of \$760,000 to \$765,000 through 2026, interest from 4.10% to 5.10%. The proceeds of these bonds were used to finance the design, construction, renovation, and equipping of public schools in the County.	\$8,360,000
\$85,000,000 Public Improvement Bonds, Series 2006B, due in annual installments of \$3,805,000 to \$5,075,000 through 2025, interest from 4.25% to 5.00%. The proceeds of these bonds were used to finance the acquisition, construction, renovation, and equipping of public schools, fire/sheriff stations, and park and recreation facilities in the County.	3,810,000
\$4,800,000 School Construction Bonds, Series 2007A, due in annual installments of \$240,000 through 2027, interest from 4.10% to 5.10%. The proceeds of these bonds will be used to finance the design, construction, and equipping of an elementary school in the County.	2,880,000

General Obligation Bonds:Balance at June 30, 2016

\$184,000,000 Public Improvement Bonds, Series 2007B, due in annual installments of \$8,675,000 to \$10,175,000 through 2026, interest from 4.50% to 5.00%. The proceeds of these bonds will be used to finance the acquisition, construction, renovation, and equipping of public schools, fire/sheriff stations, public facilities, and transportation projects in the County.	17,350,000
\$12,290,000 School Construction Bonds, Series 2008A, due in annual installments of \$615,000 through 2028, interest from 4.10% to 5.10%. The proceeds of these bonds will be used to finance the design, construction, and equipping of an elementary school and a middle school in the County.	7,985,000
\$168,000,000 Public Improvement Bonds, Series 2009A, due in annual installments of \$1,000,000 to \$11,045,000 through 2028, interest from 2.00% to 5.00%. The proceeds of these bonds will be used to finance the acquisition, construction, renovation and equipping of public schools, a public library, park and recreation facilities, fire/sheriff stations, public facilities, and a transportation project in the County.	33,470,000
\$131,030,000 Refunding Bonds, Series 2009B, due in annual installments of \$1,080,000 to \$30,935,000 through 2020, interest from 3.00% to 5.00%. The proceeds of these bonds were used for the advance refunding of outstanding bonds originally issued in 1999, 2001, 2002, 2003, 2004, 2005, 2006, and 2007.	102,145,000
\$89,120,000 Refunding Bonds, Series 2010A, due in annual installments of \$95,000 to \$20,075,000 through 2026, interest from 3.00% to 5.00%. The proceeds of these bonds were used for the advance refunding of outstanding bonds originally issued in 1998, 2001, 2004, 2005, 2006, and 2007.	88,675,000
\$70,630,000 Public Improvement Bonds, Series 2010B, due in annual installments of \$3,310,000 to \$3,945,000 through 2029, interest from 3.00% to 5.25%. The proceeds of these bonds will be used to finance the acquisition, construction, renovation and equipping of public schools and fire/sheriff stations in the County.	46,975,000
\$53,510,000 Public Improvement Bonds, Series 2011A, due in annual installments of \$2,395,000 to \$3,195,000 through 2030, interest from 2.00% to 5.00%. The proceeds of these bonds will be used to finance the acquisition, construction, renovation and equipping of public schools, fire/rescue stations, and park and recreation facilities in the County.	29,070,000
\$5,000,000 Qualified School Construction Bonds, Series 2011-2, due in annual installments of \$260,000 to \$265,000 through 2030, interest of 4.25%. The proceeds of these bonds will be used to finance the design, construction, and equipping of an elementary school in the County.	3,960,000
\$64,500,000 Public Improvement Bonds, Series 2012A, due in annual installments of \$2,760,000 to \$4,085,000 through 2031, interest from 2.625% to 5.00%. The proceeds of these bonds will be used to finance the acquisition, construction, renovation and equipping of public schools and the construction and equipping of fire/rescue stations in the County.	48,165,000
\$99,725,000 Public Improvement and Refunding Bonds, Series 2013A, due in annual installments of \$2,540,000 to \$13,135,000 through 2032, interest from 4.0% to 5.0%. The proceeds of these bonds will be used to finance the acquisition, construction, renovating and equipping of public schools, fire/rescue apparatus, and improvements to public facilities and for advance refunding of outstanding bonds originally issued in 2005 and 2006.	90,085,000
\$67,985,000 Refunding Bonds, Series 2013B, due in annual installments of \$1,790,000 to \$21,580,000 through 2021, interest from 0.18% to 2.51%. The proceeds of these bonds were used for the advance refunding of outstanding bonds originally issued in 2005.	62,560,000
\$45,200,000 Public Improvement Bonds, Series 2013C, due in annual installments of \$2,260,000 through 2033, interest from 3.00% to 5.00%. The proceeds of these bonds will be used to finance the acquisition, construction, renovation and equipping of public schools.	40,680,000
\$69,960,000 Public Improvement Bonds, Series 2014A, due in annual installments of \$3,375,000 to \$3,725,000 through 2033, interest from 3.00% to 5.00%. The proceeds of these bonds will be used to finance the acquisition, construction, renovation, improvements and equipping of public schools and the construction and equipping of fire/rescue stations in the County.	\$62,510,000
\$47,375,000 Public Improvement Bonds, Series 2014B, due in annual installments of \$1,640,000 to \$3,725,000 through 2034, interest from 4.00% to 5.00%. The proceeds of these bonds will be used to finance the design, acquisition, construction, renovation, improvements and equipping of public schools and public facilities; and the equipping of fire/rescue stations in the County.	43,655,000
\$10,885,000 School Construction Bonds, Series 2014C, due in annual installments of \$540,000 to \$545,000 through 2034, interest from 2.05% to 5.05%. The proceeds of these bonds will be used to finance the renovation of a high school in the County.	10,345,000

General Obligation Bonds:Balance at June 30, 2016

\$69,895,000 Public Improvement Bonds, Series 2015A, due in annual installments of \$3,090,000 to \$4,245,000 through 2034, interest from 3.00% to 5.00%. The proceeds of these bonds will be used to finance the design, acquisition, construction, renovation, improvements and equipping of public schools and public school facilities; relocation, renovation, expansion and equipping of a public library; design, construction, upgrade and equipping of parks and recreation facilities; land acquisition, design, construction and equipping of fire/rescue stations in the County. 65,655,000

\$147,990,000 Public Improvement and Refunding Bonds, Series 2016A, due in annual installments of \$16,805,000 to \$3,880,000 through 2035, interest from 2.125% to 5.00%. The proceeds of these bonds will be used to finance the design, construction, renovation and equipping of public schools and public school facilities; fire station and other public safety facilities and apparatus; park and recreation facilities; library facilities; transportation projects in the County and to refund a portion of the County's General Obligation Public Improvement Bonds, Series 2007B and 2009A. \$147,990,000

**Total General Obligation Bonds****\$955,640,000**

On December 9, 2014, the County entered into an agreement with the US Department of Transportation and the Economic Development Authority of Loudoun County for a Transportation Infrastructure Finance and Innovation Act (TIFIA) loan, not to exceed \$195,072,507. The proceeds from the loan will be used to finance a portion of the costs of construction to extend the Washington Metropolitan Area Transit Authority's mass transit system into the County, which draws upon the loan based on its proportionate share, 4.8%, of actual costs incurred. The interest on the loan is fixed at 2.87% and is compounded semi-annually on April 1 and October 1. Interest is deferred and capitalized as the proceeds are drawn down. Interest only payments are due to begin in April 2019. Principal and interest payments will be due in fixed, level semi-annual installments beginning October 2022 through April 2046. The amount of these payments will be determined in October 2022 based upon the outstanding balance as of that date. The outstanding principal balance of the loan at June 30, 2016 is \$53,604,215, capitalized interest on the outstanding principal balance is \$875,791 at June 30, 2016.

Annual requirements to amortize long-term debt and related interest to maturity for the Primary Government are presented below:

<b>Primary Government Debt Service</b>				
	<b>General Obligation Bonds</b>		<b>Loans</b>	
<b>Year Ending June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2017	\$ 98,085,000	\$ 38,973,375	\$ -	\$ -
2018	93,220,000	35,212,165	-	-
2019	89,200,000	31,275,165	-	838,430
2020	86,040,000	27,397,256	-	1,710,202
2021	79,835,000	23,665,868	-	1,700,870
2022-2026	290,420,000	72,122,248	7,309,261	8,168,384
2027-2031	153,585,000	23,915,973	10,389,776	6,825,368
2032-2036	65,255,000	4,044,315	11,980,764	5,234,380
2037-2041	-	-	13,815,381	3,399,763
2042-2046	-	-	15,930,932	1,284,212
	-	-		
<b>Total General Obligation Bonds and Loans Payable</b>	<b>\$ 955,640,000</b>	<b>\$ 256,606,365</b>	<b>\$ 59,426,114</b>	<b>\$ 29,161,609</b>

Note: The principal amount of the loan includes future capitalized interest on the outstanding principal and capitalized interest as of June 30, 2016.

Advance Refunding:

The County defeases certain general obligation and other bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account's assets and liabilities for the defeased bonds are not included in the County's financial statements. As of June 30, 2016, \$518,895,000 of bonds outstanding are considered defeased.

This amount includes \$75,935,000 of General Obligation Bonds advance refunded on June 7, 2016; and \$23,250,000 of Lease Revenue Bonds advance refunded on June 8, 2016.

In 2016, the government issued \$83,650,000 in public improvement and lease revenue refunding bonds with interest rates ranging from 2.0% to 5.0%. The proceeds were used to advance refund \$99,185,000 of outstanding 2007 Series B and 2009 Series A General Obligation Bonds; and 2008 VRA Lease Revenue Bonds which had interest rates ranging from 3.75% to 5.25%. The net proceeds of \$111,258,287 (including \$15,979,967 premium, \$12,391,563 of other funds and after payment of \$763,244 in underwriting and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide funds for future debt service payment on the refunded bonds. As a result, the outstanding 2007 Series B, 2009 Series A and 2008 VRA bonds are considered defeased and the liability for those bonds has been removed from the statement of net position.

The reacquisition price exceeded the net carrying amount of the old debt by \$6,338,742. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt. The government advance refunded the 2007 Series B, 2009 Series A and 2008 VRA bonds to reduce its total debt service payments by \$15,188,671 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$12,748,812.

## **NOTE XV - SOLID WASTE LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS**

State and federal laws and regulations require the County to place a final cover on its Woods Road landfill site, as well as other sites opened in the future when they stop accepting waste, and to perform certain maintenance and monitoring functions at the sites for thirty years after closure. Although closure and postclosure care cost will be paid only near or after the date that the landfill stops accepting waste, GAAP requires that the County record a portion of these closure and postclosure care costs as a long-term liability in each period based on landfill capacity used as of each fiscal year end. The \$21,433,414 liability for landfill closure and postclosure care cost at June 30, 2016 represents the estimated liability based on the usage of 84.7% of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care in the amount of \$3,487,398 as the remaining estimated capacity is used. The estimated remaining life of the Loudoun County Landfill Disposal Unit is 3.3 years. The liability accrued at June 30, 2016 is based on what it would cost to perform all closure and postclosure care in 2016. Actual cost may differ from this estimate due to inflation, deflation, changes in technology or changes in regulation.

## **NOTE XVI – CONTINGENT LIABILITIES**

Various claims and lawsuits are pending against the County. With respect to pending litigation, neither management nor the County Attorney can predict the outcome of certain of those matters at this time or the ultimate liability should the County not be successful in defending its position. In actions for monetary damages, other than taxation matters, the County may have coverage through self-insurance plans managed by the Commonwealth of Virginia. However, it is possible that in the near term, losses may be realized on claims in excess of amounts included as other liabilities on the statement of Net Position.

The County has received a number of Federal and State grants. Although the County has been audited in accordance with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), these grants remain subject to financial and compliance audits by the grantors or their representatives. Such audits could result in requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. The amount of expenditures that may be disallowed as a result of audits at some future date cannot be determined at this time; however, County management believes such amounts, if any, will not have a material effect on the financial position or results of operations of the County.

## **NOTE XVII- DEFERRED COMPENSATION PLAN**

The Primary Government offers a deferred compensation plan created in accordance with Internal Revenue Code Section 457 (the "Plan"). The Plan is available to all employees and permits them to defer a portion of their current salary until future years. The deferred compensation is not available to employees until termination, retirement, death or an unforeseeable emergency.

The Plan's investments are not reported on the Primary Government's balance sheet as such funds are held in a trust, over which the Primary Government has limited oversight.

## **NOTE XVIII - RETIREMENT PLANS**

### **(A) DEFINED BENEFIT PENSION PLAN**

### **Summary of Significant Accounting Policies**

#### **Description of the Entity**

The Virginia Retirement System (the System) is an independent agency of the Commonwealth of Virginia. The System Administers four separate pension trust funds – the Virginia Retirement System (VRS), the State Police "Officers" Retirement System (SPORS), the Virginia Law Officers' Retirement System (VaLORS), and the Judicial Retirement System (JRS). The VRS Political Subdivision Retirement Plans are part of the agent, multi-employer component of the VRS Trust Fund.

#### **Administration and Management**

The Board of Trustees (the Board) is responsible for the general administration and operation of the defined benefit pension plans and the other employee benefit plans. The Board has full power to invest and reinvest the trust funds of the System through the adoption of investment policies and guidelines that fulfil the Board's investment objective to maximize long-term investment returns while targeting an acceptable level of risk.

The Board consists nine members. Five members are appointed by the Governor and four members are appointed by the Joint Rules Committee of the General Assembly subject to confirmation by the General Assembly. The Board appoints a director to serve as the chief administrative officer of the System and a chief investment officer to direct, manage, and administer the investment of the System's funds.

The System issues a Comprehensive Annual Financial Report (CAFR) containing the financial statements and required supplementary information for all of the System's pension and other employee benefit trust funds. The CAFR is publically available through the About VRS link on the VRS website at [www.varetire.org](http://www.varetire.org), or a copy may be obtained by submitting a request to the VRS Chief Financial Officer, PO Box 2500, Richmond, VA 23218-2500. The pension and other employee benefit trust funds administered by the VRS are classified as fiduciary funds and are included in the basic financial statements of the Commonwealth of Virginia.

#### **Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the VRS Political Subdivision's Retirement Plan and the additions to/deductions from the VRS Political Subdivision's Retirement Plan net fiduciary position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.



## General Information about the Pension Plan

### Plan Description

All full-time, salaried permanent (professional) employees of the County and Schools are automatically covered by VRS Retirement Plan upon employment. This plan is administered by the System along with plans for other employer groups in the Commonwealth of Virginia. The County of Loudoun Retirement Plans are in an agent, multiple-employer plan. Members earn one month of service credit for each month they are employed and for which they and their employer are paying contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the *Code of Virginia*, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

The System administers three different benefit structures for covered employees in the VRS Retirement Plan – Plan 1, Plan 2, and, Hybrid. Each of these benefit structures has a different eligibility criteria. The specific information for each plan, and the eligibility for covered groups within each plan are set out in the table below:

RETIREMENT PLAN PROVISIONS		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p><b>About VRS Plan 1</b> Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. Employees are eligible for VRS Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013.</p>	<p><b>About VRS Plan 2</b> Plan 2 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. Employees are eligible for VRS Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.</p>	<p><b>About the Hybrid Retirement Plan</b> The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. Most members hired on or after January 1, 2014 are in this plan, as well as VRS Plan 1 and VRS Plan 2 members who were eligible and opted into the plan during a special election window. (See "Eligible Members")</p> <ul style="list-style-type: none"> <li>• The defined benefit is based on a member's age, creditable service and average final compensation at retirement using a formula.</li> <li>• The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions.</li> <li>• In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.</li> </ul>
<p><b>Eligible Members</b> Employees are in Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013.</p> <p><b>Hybrid Opt-In Election</b> VRS non-hazardous duty covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.</p> <p>The Hybrid Retirement Plan's effective date for eligible VRS Plan 1 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p> <p>Members who were eligible for an optional retirement plan (ORP) and had prior service under Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 1 or ORP.</p>	<p><b>Eligible Members</b> Employees are in Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.</p> <p><b>Hybrid Opt-In Election</b> VRS Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.</p> <p>The Hybrid Retirement Plan's effective date for eligible VRS Plan 2 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p> <p>Members who were eligible for an optional retirement plan (ORP) and have prior service under Plan 2 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 2 or ORP.</p>	<p><b>Eligible Members</b> Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:</p> <ul style="list-style-type: none"> <li>• Political subdivision employees*</li> <li>• Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1-April 30, 2014; the plan's effective date for opt-in members was July 1, 2014</li> </ul> <p><b>*Non-Eligible Members</b> Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:</p> <ul style="list-style-type: none"> <li>• Political subdivision employees who are covered by enhanced benefits for hazardous duty employees</li> </ul> <p>Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP.</p>

<p><b>Retirement Contributions</b> Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Some school divisions and political subdivisions elected to phase in the required 5% member contribution; all employees will be paying the full 5% by July 1, 2016. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.</p>	<p><b>Retirement Contributions</b> Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Some school divisions and political subdivisions elected to phase in the required 5% member contribution; all employees will be paying the full 5% by July 1, 2016.</p>	<p><b>Retirement Contributions</b> A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages.</p>
<p><b>Creditable Service</b> Creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional creditable service the member was granted. A member's total creditable service is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p>	<p><b>Creditable Service</b> Same as VRS Plan 1.</p>	<p><b>Creditable Service</b> <u><b>Defined Benefit Component:</b></u> Under the defined benefit component of the plan, creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional creditable service the member was granted. A member's total creditable service is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p> <p><u><b>Defined Contributions Component:</b></u> Under the defined contribution component, creditable service is used to determine vesting for the employer contribution portion of the plan.</p>
<p><b>Vesting</b> Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of creditable service. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund.</p> <p>Members are always 100% vested in the contributions that they make.</p>	<p><b>Vesting</b> Same as VRS Plan 1.</p>	<p><b>Vesting</b> <u><b>Defined Benefit Component:</b></u> Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of creditable service. VRS Plan 1 or VRS Plan 2 members with at least five years (60 months) of creditable service who opted into the Hybrid Retirement Plan remain vested in the defined benefit component.</p> <p><u><b>Defined Contributions Component:</b></u> Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan.</p> <p>Members are always 100% vested in the contributions that they make.</p> <p>Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service.</p> <ul style="list-style-type: none"> <li>• After two years, a member is 50% vested and may withdraw 50% of employer contributions.</li> </ul>

		<ul style="list-style-type: none"> <li>• After three years, a member is 75% vested and may withdraw 75% of employer contributions.</li> <li>• After four or more years, a member is 100% vested and may withdraw 100% of employer contributions.</li> </ul> <p>Distribution is not required by law until age 70½.</p>
<b>Calculating the Benefit</b> The Basic Benefit is calculated based on a formula using the member's average final compensation, a retirement multiplier and total service credit at retirement. It is one of the benefit payout options available to a member at retirement.  An early retirement reduction factor is applied to the Basic Benefit if the member retires with a reduced retirement benefit or selects a benefit payout option other than the Basic Benefit.	<b>Calculating the Benefit</b> See definition under Plan 1.	<b>Calculating the Benefit</b> <b>Defined Benefit Component:</b> See definition under Plan 1  <b>Defined Contribution Component:</b> The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.
<b>Average Final Compensation</b> A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.	<b>Average Final Compensation</b> A member's average final compensation is the average of the 60 consecutive months of highest compensation as a covered employee.	<b>Average Final Compensation</b> Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.
<b>Service Retirement Multiplier</b> <b>VRS:</b> The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.7%.  <b>Sheriffs and regional jail superintendents:</b> The retirement multiplier for sheriffs and regional jail superintendents is 1.85%.  <b>Political subdivision hazardous duty employees:</b> The retirement multiplier of eligible political subdivision hazardous duty employees other than sheriffs and regional jail superintendents is 1.7% or 1.85% as elected by the employer.	<b>Service Retirement Multiplier</b> Same as Plan 1 for service earned, purchased or granted prior to January 1, 2013. For non-hazardous duty members the retirement multiplier is 1.65% for creditable service earned, purchased or granted on or after January 1, 2013  <b>Sheriffs and regional jail superintendents:</b> Same as Plan 1.  <b>Political subdivision hazardous duty employees:</b> Same as Plan 1.	<b>Service Retirement Multiplier</b> <b>Defined Benefit Component:</b> <b>VRS:</b> The retirement multiplier for the defined benefit component is 1.00%.  For members that opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.  <b>Sheriffs and regional jail superintendents:</b> Not applicable  <b>Political subdivision hazardous duty employees:</b> Not applicable  <b>Defined Contribution Component:</b> Not applicable.
<b>Normal Retirement Age</b> <b>VRS:</b> Age 65.  <b>Political subdivision hazardous duty employees:</b> Age 60	<b>Normal Retirement Age</b> <b>VRS:</b> Normal Social Security retirement age.  <b>Political subdivision hazardous duty employees:</b> Same as Plan 1.	<b>Normal Retirement Age</b> <b>Defined Benefit Component:</b> <b>VRS:</b> Same as Plan 2.  <b>Political subdivision hazardous duty employees:</b> Not applicable.  <b>Defined Contribution Component:</b> Members are eligible to receive distributions upon leaving employment, subject to restrictions.
<b>Earliest Unreduced Retirement Eligibility</b>	<b>Earliest Unreduced Retirement Eligibility</b>	<b>Earliest Unreduced Retirement Eligibility</b> <b>Defined Benefit Component:</b>

<p><b>VRS:</b> Age 65 with at least five years (60 months) of creditable service or at age 50 with at least 30 years of creditable service.</p> <p><b>Political subdivisions hazardous duty employees:</b> Age 60 with at least five years of creditable service or age 50 with at least 25 years of creditable service.</p>	<p><b>VRS:</b> Normal Social Security retirement age with at least five years (60 months) of creditable service or when their age and service equal 90.</p> <p><b>Political subdivisions hazardous duty employees:</b> Same as Plan 1.</p>	<p><b>VRS:</b> Normal Social Security retirement age and have at least five years (60 months) of creditable service or when their age and service equal 90.</p> <p><b>Political subdivisions hazardous duty employees:</b> Not applicable.</p> <p><b><u>Defined Contribution Component:</u></b> Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p><b>Earliest Reduced Retirement Eligibility</b> <b>VRS:</b> Age 55 with at least five years (60 months) of creditable service or age 50 with at least 10 years of creditable service.</p> <p><b>Political subdivisions hazardous duty employees:</b> 50 with at least five years of creditable service.</p>	<p><b>Earliest Reduced Retirement Eligibility</b> <b>VRS:</b> Age 60 with at least five years (60 months) of creditable service.</p> <p><b>Political subdivisions hazardous duty employees:</b> Same as Plan 1.</p>	<p><b>Earliest Unreduced Retirement Eligibility</b> <b><u>Defined Benefit Component:</u></b> <b>VRS:</b> Age Members may retire with a reduced benefit as early as age 60 with at least five years (60 months) of creditable service.</p> <p><b>Political subdivisions hazardous duty employees:</b> Not applicable.</p> <p><b><u>Defined Contribution Component:</u></b> Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p><b>Cost-of-Living Adjustment (COLA) in Retirement</b> The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%.</p> <p><b><u>Eligibility:</u></b> For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of creditable service, the COLA will go into effect on July 1 after one full calendar year from the retirement date.</p> <p>For members who retire with a reduced benefit and who have less than 20 years of creditable service, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.</p> <p><b><u>Exceptions to COLA Effective Dates:</u></b> The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances:</p> <ul style="list-style-type: none"> <li>• The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013.</li> <li>• The member retires on disability.</li> <li>• The member retires directly from short-term or long-term disability under the Virginia Sickness and Disability Program (VSDP).</li> <li>• The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program.</li> <li>• The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service</li> </ul>	<p><b>Cost-of-Living Adjustment (COLA) in Retirement</b> The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%.</p> <p><b><u>Eligibility:</u></b> Same as Plan 1</p> <p><b><u>Exceptions to COLA Effective Dates:</u></b> Same as Plan 1</p>	<p><b>Cost-of-Living Adjustment (COLA) in Retirement</b> <b><u>Defined Benefit Component:</u></b> Same as Plan 2.</p> <p><b><u>Defined Contribution Component:</u></b> Not applicable.</p> <p><b><u>Eligibility:</u></b> Same as Plan 1 and Plan 2.</p> <p><b><u>Exceptions to COLA Effective Dates:</u></b> Same as Plan 1 and Plan 2.</p>

benefit. The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins.		
<b>Disability Coverage</b> Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.7% on all service, regardless of when it was earned, purchased or granted.  VSDP members are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.	<b>Disability Coverage</b> Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted.  VSDP members are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.	<b>Disability Coverage</b> Eligible political subdivision and school division (including Plan 1 and Plan2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides and employer-paid comparable program for its members.  Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.
<b>Purchase of Prior Service</b> Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as creditable service in their plan. Prior creditable service counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. When buying service, members must purchase their most recent period of service first. Members also may be eligible to purchase periods of leave without pay.	<b>Purchase of Prior Service</b> Same as Plan 1.	<b>Purchase of Prior Service</b> <b>Defined Benefit Component:</b> Same as VRS Plan 1 with the following exceptions: <ul style="list-style-type: none"> <li>• Hybrid Retirement Plan members are ineligible for ported service.</li> <li>• The cost for purchasing refunded service is the higher of 4% of creditable compensation or average final compensation.</li> <li>• Plan members have one year from their date of hire or return from leave to purchase all but refunded prior service at approximate normal cost. After that one year period, the rate for most categories of service will change to actuarial cost.</li> </ul> <b>Defined Contribution Component:</b> Not applicable.

#### Employees Covered by Benefit Terms

As of the June 30, 2015 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Number
Inactive Members or Their Beneficiaries Currently Receiving Benefits	809
Inactive Members:	
Vested	411
Non-Vested	1,001
Active Elsewhere in VRS	449
Total Inactive Members	1,861
Active Members	2,951
Total	5,621

#### Contributions

The contribution requirement for active employees is governed by §51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Prior to July 1, 2012, all or part of the 5.00% member contribution may have been assumed by the employer. Beginning July 1, 2012 new employees were required to pay the 5.00% member contribution. In addition, for existing employees, employers were required to begin making the employee pay the 5.00% member contribution. This could be phased in over a period of up to 5 years and the employer is required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution.

The County of Loudoun's contractually required contribution rate for the year ended June 30, 2016 was 9.90% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2015.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were \$19,659,398 and \$18,748,497 for the years ended June 30, 2016 and June 30, 2015, respectively.

The County's net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2014, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2015.

#### Actuarial Assumptions

The total pension liability for general employees in the County's Retirement Plan was based on an actuarial valuation as of June 30, 2014, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2015.

Inflation	2.5%
Salary increases, including Inflation	3.5 – 5.35%
Investment rate of return*	7.00%, net of pension plan investment expense, including inflation

\*Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GAAP purposes of slightly more than the assumed 7.0%. However, since the difference was minimal, and a more conservative 7.0% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 7.0% to simplify preparation of pension liabilities.

Mortality rates: 14 % of deaths are assumed to be service related

##### Largest 10 – Non-LEOS:

###### Pre-Retirement:

RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set forward 4 years and females were set back 2 years.

###### Post-Retirement:

RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set forward 1 year.

###### Post-Disablement:

RP-2000 Disability Life Mortality Table Projected to 2020 with males set back 3 years and no provision for future mortality improvement

##### All Others (Non 10 Largest) – Non-LEOS:

###### Pre-Retirement:

RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set forward 4 years and females were set back 2 years.

###### Post-Retirement:

RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set forward 1 year.

###### Post-Disablement:

RP-2000 Disability Life Mortality Table Projected to 2020 with males set back 3 years and no provision for future mortality improvement

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period from July 1, 2008 through June 30, 2012. Changes to the actuarial assumptions as a result of the experience study are as follows:

##### Largest 10 – Non-LEOS:

Update mortality table

Decrease in rates of service retirement

Decrease in rates of disability retirement

Reduce rates of salary increase by 0.25% per year

##### All Others (Non 10 Largest) – Non-LEOS:

Update mortality table

Decrease in rates of service retirement

Decrease in rates of disability retirement

Reduce rates of salary increase by 0.25% per year

## Long-Term Expected Rate of Return

The long-term expected rate of return on pension System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension System investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
U.S. Equity	19.50%	6.46%	1.26%
Developed Non U.S. Equity	16.50%	6.28%	1.04%
Emerging Market Equity	6.00%	10.00%	0.60%
Fixed Income	15.00%	0.09%	0.01%
Emerging Debt	3.00%	3.51%	0.11%
Rate Sensitive Credit	4.50%	3.51%	0.16%
Non-Rate Sensitive Credit	4.50%	5.00%	0.23%
Convertibles	3.00%	4.81%	0.14%
Public Real Estate	2.25%	6.12%	0.14%
Private Real Estate	12.75%	7.10%	0.91%
Private Equity	12.00%	10.41%	1.25%
Cash	1.00%	-1.50%	-0.02%
Total	100.00%		5.83%
	Inflation		2.50%
* Expected arithmetic nominal return			8.33%

\* Using stochastic projection results provides an expected range of real rates of return over various time horizons. Looking at one year results produces an expected real return of 8.33% but also has a high standard deviation, which means there is high volatility. Over larger time horizons the volatility declines significantly and provides a median return of 7.44%, including expected inflation of 2.50%.

## Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2018, the rate contributed by the employer for the Political Subdivision Retirement Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2018 on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the Long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

## Changes in Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2014	\$ 569,087,891	\$ 518,202,957	\$ 50,884,934
Changes for the year:			
Service Cost	22,353,385	-	22,353,385
Interest	39,237,646	-	39,237,646
Difference between expected and actual experience	(2,390,226)	-	(2,390,226)
Contributions - employer	-	18,748,497	(18,748,497)
Contributions - employee	-	9,261,311	(9,261,311)
Net investment income	-	24,118,127	(24,118,127)
Benefit payments, including refunds of employee contributions	(17,100,175)	(17,100,175)	-
Administrative expense		(314,292)	314,292
Other changes		(5,153)	5,153
Net changes	42,100,630	34,708,315	7,392,315
Balances at June 30, 2015	\$ 611,188,521	\$ 552,911,272	\$ 58,277,249

### Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Primary Government using the discount rate of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Plan's Net Pension Liability (Asset)	\$ 147,868,592	\$ 58,277,249	\$ (15,508,805)

### Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2015, the County recognized pension expense of \$10,250,781. At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 1,939,240
Net difference between projected and actual earnings on plan investments	-	13,402,255
Employer contributions subsequent to the Measurement Date	19,659,398	-
Total	\$ 19,659,398	\$ 15,341,495

\$19,659,398 reported as deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2017. \$15,341,495 reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2017	\$ (5,753,520)
2018	(5,753,520)
2019	(5,753,522)
2020	2,054,363
2021	(135,296)
Thereafter	-

### (B) VOLUNTEER FIRE AND RESCUE RETIREMENT SYSTEM

#### 1. Plan Description

The Primary Government is the administrator of a revocable, noncontributory, single employer, defined benefit Length of Service Retirement Plan (the Plan). The Plan covers voluntary fire and rescue service members, who are not Primary Government employees, but who serve voluntarily with one of the Primary Government's volunteer fire and rescue companies. The Plan provides retirement benefits as well as death and disability benefits. All benefits vest after ten years of credited service. Members who retire at or after age 55 with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to \$12 per month for each year of credited service earned after November 1, 2003 with a maximum benefit of \$300 per month, \$10 per month for each year of credited service earned prior to November 1, 2003, with a maximum benefit of \$250 per month. The Plan has a total of 2,014 members; 233 members are in retirement status, 633 are former members with vested benefits, resulting in 1,381 active Plan participants for the year. The County Board of Supervisors maintains the authority to establish, amend and revoke the benefit provisions of the Plan; thus disqualifying it from the reporting and disclosure requirements of GAAP for irrevocable trusts. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The Plan does not issue a stand-alone financial report. All required statements and disclosures are contained in these financial statements, (see also Required Supplementary Information).

#### 2. Funding Status and Progress

The County Board of Supervisors maintains the authority to establish, and amend the funding policy of the Plan. The Plan's funding policy provides for the periodic Primary Government contributions at actuarially determined rates to accumulate sufficient assets to pay benefits when due. Plan members are not required to and do not contribute to the Plan. Beginning in fiscal year 2012, the County contracted with PenFlex, Inc. to provide administrative and actuarial services for the Plan, and with RBC Wealth Management to provide investment services for the Plan. Plan contributions are currently held in an investment account with Comerica.



For the year ended June 30, 2014 through June 30, 2016, the funding progress is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
6/30/2016	\$ 17,898,274	\$ 22,807,923	\$ 4,909,649	78.47%	N/A	N/A
6/30/2015*	\$ 19,042,736	\$ 20,033,568	\$ 990,832	95.05%	N/A	N/A
6/30/2014*	\$ 19,101,061	\$ 18,784,140	\$ -	101.69%	N/A	N/A

\* Required Supplementary Information – Unaudited

The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liability (AAL) for benefits.

3. Annual Commitment

The Primary Government's commitment for fiscal year 2016 was determined through a July 1, 2015 actuarial valuation using the Attained Age Normal cost method. The amortization period for Excess Points Liability (Deferred Actives) is 1 year and the Amortization period for Re-established Unfunded Liability is 10 years. The actuarial assumptions include a 5.25% investment rate of return, no inflationary component was used since members are volunteers and salary is not a factor in this program. The actuarial value of assets represents a smoothed value of program assets that is used in the calculation of the minimum required contribution. Investment gains or losses in relation to the assumed rate of return are spread out and recognized over a three-year period. This method results in more stable asset values and ultimately, more stable contribution requirements.

At June 30, 2016, included within the County's General Fund Volunteer Fire and Rescue LOSAP Pension Benefits committed fund balance is a current year commitment to the program of \$689,411.

**NOTE XIX - UNEARNED REVENUES/DEFERRED INFLOWS OF RESOURCES**

Unearned revenues at the fund level represent amounts for which asset recognition criteria were met, but for which revenue recognition criteria were not met. Unearned revenues for the Primary Government consist of grant funding received before eligibility requirements were met in the amount of \$9,726,056, and unspent donations in the amount of \$60,746. Unearned revenues of the component unit consist of advanced meal payments in the amount of \$967,387 and grant funding received before eligibility requirements were met in the amount of \$2,617,540.

Deferred inflows of resources at the fund level represent amounts for which asset recognition criteria were met, but which were not available to finance expenditures of the current period under the modified accrual basis of accounting. Deferred inflows of resources at June 30, 2016 consist of:

Governmental Funds	Amount
Unavailable Taxes - taxes not paid within sixty days of June 30, 2016	\$ 8,504,313
Unavailable Taxes Not Yet Due - taxes for which the County has a legal claim, but which are intended to fund expenditures of the next fiscal period	\$ 512,894,757
Prepaid Taxes - taxes due subsequent to June 30, 2016, but paid in advance by taxpayers	\$ 11,295,735
	<u>\$ 532,694,805</u>

Property taxes deferred as a result of land use assessments and tax relief for the elderly and handicapped are not reflected in the financial statements since collection is contingent upon occurrence of certain events prescribed by statute. These contingent amounts represent approximately \$30.6 million at June 30, 2016.

**NOTE XX – FUND BALANCE CLASSIFICATION**

Specific purpose details for fund balance classifications displayed in the aggregate for governmental funds as of June 30, 2016 are as follows:

<b>FY 2016</b>	<b>General</b>	<b>Capital Projects</b>	<b>Debt Service</b>	<b>Non-Major Governmental</b>	<b>Total Governmental Funds</b>
<b>Fund Balance:</b>					
<b>Nonspendable:</b>					
Inventories	\$ -	\$ -	\$ -	\$ 261,886	\$ 261,886
Notes and Loans	1,180,941	-	-	1,861,215	3,042,156
Prepays	1,055,830	-	-	275,244	1,331,074
<b>Subtotal Nonspendable</b>	\$ 2,236,771	\$ -	\$ -	\$ 2,398,345	\$ 4,635,116
<b>Restricted for:</b>					
Public Safety Facilities & Equipment	\$ -	\$ 40,816,707	\$ -	\$ -	\$ 40,816,707
Public Safety CAD & E911 Systems	-	6,353,964	-	87,186	6,441,150
Animal Shelter	-	-	-	383,010	383,010
General Government Facilities	-	6,216,711	-	-	6,216,711
Audio Visual Equipment	-	3,339,778	-	-	3,339,778
Major Equipment Replacement	-	-	-	2,145,920	2,145,920
Law Library	-	-	-	7,488	7,488
Courts Complex Improvements	-	5,461,553	-	-	5,461,553
Road & Sidewalk Improvements & Construction	-	91,825,155	-	26,458,336	118,283,491
Group Home Improvements	-	1,493,810	-	-	1,493,810
Health & Welfare Programs	-	-	-	3,132,320	3,132,320
Emergency Medical Transport Program	-	-	-	1,893,470	1,893,470
Housing Assistance Programs	-	-	-	29,290,188	29,290,188
Library Improvements, Materials, and Equipment	-	5,949,718	-	4,283,001	10,232,719
Parks, Community Centers & Recreation Centers	-	56,770,259	-	21,321,193	78,091,452
Mass Transit	-	8,085,151	-	105,684,428	113,769,579
Adult Detention Center	-	1,241,029	-	-	1,241,029
Juvenile Detention Center Addition	-	1,035,758	-	-	1,035,758
Youth Shelter Renovation	-	1,824,182	-	-	1,824,182
Landfill and Wastewater Infrastructure	-	3,123,265	-	22,823	3,146,088
School Land Acquisition	-	3,239,585	-	-	3,239,585
<b>Subtotal Restricted</b>	\$ -	\$ 236,776,625	\$ -	\$ 194,709,363	\$ 431,485,988
<b>Committed to:</b>					
Fiscal Reserve	\$ 164,658,683	\$ -	\$ -	\$ 338,408	\$ 164,997,091
Fire & Rescue Revolving Loans	4,027,383	-	-	-	4,027,383
Computer Systems Replacements and Upgrades	1,882,736	-	-	1,096,244	2,978,980
ERP Project / Initiatives	-	10,785,474	-	-	10,785,474
Audio Visual Equipment	-	329,640	-	-	329,640
Courts Complex Improvements	62,104	-	-	153,655	215,759
Public Safety Facilities	986,581	6,996,570	-	-	7,983,151
Public Safety CAD & E911 Systems	-	719,800	-	-	719,800
Public Safety Equipment	-	2,268,473	-	-	2,268,473
Public Safety Firing Range	-	4,155,740	-	-	4,155,740
Adult Detention Center	-	260,000	-	-	260,000
General Government Facilities	2,033,763	381,326	-	1,978,907	4,393,996
Road & Sidewalk Improvements & Construction	-	35,958,957	-	-	35,958,957
Parking Garages	-	2,404,233	-	-	2,404,233

<u>FY 2016</u>	General	Capital Projects	Debt Service	Non-Major Governmental	Total Governmental Funds
<b>Committed to:</b>					
Group Home Improvements	896,195	120,000	-	-	1,016,195
Health & Welfare Programs	-	-	-	13,500	13,500
CSA At Risk Youth and Families	-	-	-	3,925,462	3,925,462
Library Improvements, Materials, and Equipment	-	53,579	-	-	53,579
Landfill and Wastewater Infrastructure	-	12,641,600	-	187,696	12,829,296
Parks, Community Centers & Recreation Centers	876,706	6,091,606	-	268,185	7,236,497
Commercial & Rural Economic Development	739,870	-	-	-	739,870
Mass Transit	-	3,515,998	-	13,671	3,529,669
Volunteer Fire and Rescue LOSAP Pension Benefits	17,898,274	-	-	-	17,898,274
County and School Land Acquisition	-	14,107,125	-	-	14,107,125
<b>Subtotal Committed</b>	<b>\$ 194,062,295</b>	<b>\$ 100,790,121</b>	<b>\$ -</b>	<b>\$ 7,975,728</b>	<b>\$ 302,828,144</b>
<b>Assigned to:</b>					
Debt Service	\$ -	\$ -	\$ 25,529,852	\$ -	\$ 25,529,852
Budgeted Use of Fund Balance	33,227,326	-	\$ 15,000,000	831,000	49,058,326
Computer Systems Replacements and Upgrades	258,663	-	-	-	258,663
Audio Visual Equipment	-	-	-	180,664	180,664
Courts Complex Improvements	3,207	-	-	-	3,207
Public Safety Facilities/Firing Range/CAD System	171,381	-	-	-	171,381
County Facilities Repairs and Improvements	66,682	-	-	2,003	68,685
Health and Welfare Programs	214,451	-	-	-	214,451
Parks, Recreation and Cultural	237,797	-	-	115,600	353,397
Community Development and Transit Projects	141,773	-	-	2,809,140	2,950,913
Road & Sidewalk Improvements & Construction	-	10,000,000	-	15,321	10,015,321
Future Capital Projects	-	2,398,216	-	-	2,398,216
<b>Subtotal Assigned</b>	<b>\$ 34,321,280</b>	<b>\$ 12,398,216</b>	<b>\$ 40,529,852</b>	<b>\$ 3,953,728</b>	<b>\$ 91,203,076</b>
<b>Unassigned:</b>					
	\$ 55,710,322	\$ -	\$ -	\$ -	\$ 55,710,322
<b>Subtotal Unassigned</b>	<b>\$ 55,710,322</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 55,710,322</b>
<b>Total Fund Balance</b>	<b>\$ 286,330,668</b>	<b>\$ 349,964,962</b>	<b>\$ 40,529,852</b>	<b>\$ 209,037,164</b>	<b>\$ 885,862,646</b>

In accordance with the Board of Supervisors' adopted Fiscal Policy, committed fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Supervisors, and encumbrances for contractual obligations for which existing resources have been committed for use in satisfying those contractual requirements. Assigned fund balance includes amounts that reflect an intended or planned use of fund balance for a specific purpose as identified by the County Administrator or his designee with no formal action required by the Board of Supervisors, and encumbered amounts for specific purposes, which have not been restricted or committed. The committed portion of fund balance at the close of each fiscal year shall be equal to no less than 10% of operating revenues of the General Fund. This portion of unrestricted fund balance is not maintained for funding recurring expenditures during the normal business cycle and is to be used only in the event of unexpected and non-routine circumstances.

#### **NOTE XXI – JOINTLY GOVERNED ORGANIZATION**

The County, in conjunction with the Commonwealth of Virginia Transportation Board (the "Transportation Board") and the County of Fairfax, Virginia (Fairfax County), has created the State Route 28 Highway Transportation Improvement District (the "District"). The District was created by resolutions of the Boards of Supervisors of Loudoun and Fairfax Counties. The District is governed by a commission of nine members comprised of four of the elected members of the Board of Supervisors of Loudoun County, four of the elected members of the Board of Supervisors of Fairfax County, and the Chairman of the Transportation Board or his or her designee. The Chairman of the District is elected by and from among its members. The District Act confers powers upon Loudoun and Fairfax Counties to levy annually within the District a limited ad valorem tax on taxable real estate zoned for commercial and industrial use located in the District. This tax, when levied and collected by either County, is to be promptly paid to the fiscal agent for any outstanding bonds issued for construction purposes on State Route 28. The Transportation Board through the Fairfax County Economic Development Authority has issued \$188,030,000 transportation contract revenue bonds for the purpose of financing a portion of the costs of certain grade-separated interchanges on State Route 28 in Loudoun and Fairfax Counties. As of June 30, 2016, the outstanding principal balance on the bonds is \$169,540,000. The Board of Supervisors of Loudoun and Fairfax Counties have agreed to equally support any shortfalls in annual debt service payments arising from a shortage of District tax revenues.

#### **NOTE XXII – SUBSEQUENT EVENTS**

On March 18, 2016, the Route 28 Commission authorized the issuance of Fairfax County Economic Development Authority Transportation Contract Revenue Refunding Bonds for the purpose of refinancing certain outstanding Authority Bonds. On June 21, 2016, the Fairfax County Board of Supervisors approved the issuance of the Fairfax County Economic Development Authority Transportation Contract Revenue Refunding Bonds (Route 28 Project) in an amount not to exceed \$91,040,000 for the refunding of the Authority's outstanding Series 2007A and Series 2008 Bonds. On June 23, 2016 the Loudoun County Board of Supervisors approved a similar resolution approving the refunding. The bond sale occurred on August 3, 2016 for a total of \$88,795,000 (\$43,035,000, Series 2016A and \$45,760,000, Series 2016B), and closed on August 25, 2016.

On October 20, 2016, the Board of Supervisors authorized the issuance and sale of lease revenue bonds in the amount of \$63,500,000 for capital projects. The bond sale occurred on November 2, 2016 for \$60,900,000 and closed on November 17, 2016.

#### **NOTE XXIII – PRIOR PERIOD ADJUSTMENTS AND CHANGE IN ACCOUNTING PRINCIPLES**

The County implemented GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB 68 and Amendments to Certain Provisions of GASB Statements 67 and 68*, which established requirements for defined benefit pensions and defined contributions that are not within the scope of GASB Statement No. 68. Statement No. 73 required the County to report assets accumulated and held in a revocable trust for pension benefits as assets of the General Fund and not as a fiduciary asset; therefore, the implementation of this statement resulted in the restatement of the fund balance of the General Fund and the net position of the Governmental Activities as of June 30, 2015 by \$19,042,737.

# Required Supplementary Information

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Groundbreaking Ceremony for Construction of Rt. 7 & Rt. 659 Interchange



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**COUNTY OF LOUDOUN, VIRGINIA**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Budgeted Amounts</b>		<b>Actual Amount</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Resources (Inflows)</b>				
General Property Taxes	\$ 977,167,500	\$ 977,167,500	\$ 1,033,758,018	\$ 56,590,518
Other Local Taxes	139,901,600	139,901,600	146,127,627	6,226,027
Permits and Licenses	20,989,810	20,989,810	22,384,995	1,395,185
Fines and Forfeitures	2,175,894	2,175,894	1,726,649	(449,245)
Use of Money and Property	3,847,421	4,893,929	5,832,491	938,562
Charges for Services	33,802,915	36,011,371	34,273,963	(1,737,408)
Gifts and Donations	64,570	319,713	129,686	(190,027)
Miscellaneous	231,945	247,816	381,708	133,892
Sales of Capital Assets	-	-	84,500	84,500
Recovered Costs	9,671,104	9,832,467	8,798,645	(1,033,822)
Intergovernmental - Commonwealth	83,669,455	87,405,970	83,683,926	(3,722,044)
Intergovernmental - Federal	4,646,992	8,330,110	7,255,004	(1,075,106)
Transfers from Other Funds	16,474,724	14,749,140	14,751,885	2,745
<b>Amounts Available for Appropriation</b>	<b>1,292,643,930</b>	<b>1,302,025,320</b>	<b>1,359,189,097</b>	<b>57,163,777</b>
<b>Charges to Appropriations (Outflows)</b>				
General Government Administration	73,415,391	72,992,421	72,951,877	40,544
Judicial Administration	13,715,297	14,132,193	14,013,797	118,396
Public Safety	174,546,286	179,170,483	169,153,608	10,016,875
Public Works	17,299,690	19,943,935	17,567,569	2,376,366
Health and Welfare	69,240,842	77,855,496	68,938,159	8,917,337
Parks, Recreation and Culture	52,461,078	54,558,215	50,806,573	3,751,642
Community Development	53,757,443	54,640,231	49,275,814	5,364,417
Education	658,554,107	681,705,584	681,705,584	-
Cash from Prior Year Sale of Land to Component Unit	-	19,998,042	19,998,042	-
Transfers to Other Funds	242,732,115	239,829,876	239,827,070	2,806
<b>Total Charges to Appropriations</b>	<b>1,355,722,249</b>	<b>1,414,826,476</b>	<b>1,384,238,093</b>	<b>30,588,383</b>
<b>Excess (Deficiency) of Resources Over (Under)</b>				
<b>Charges to Appropriations</b>	(63,078,319)	(112,801,156)	(25,048,996)	87,752,160
<b>Fund Balance at Beginning of Year</b>	<b>311,379,664</b>	<b>311,379,664</b>	<b>311,379,664</b>	<b>-</b>
<b>Fund Balance at End of Year</b>	<b>\$ 248,301,345</b>	<b>\$ 198,578,508</b>	<b>\$ 286,330,668</b>	<b>\$ 87,752,160</b>

See Independent Auditors' Report and notes to budgetary comparison schedule.

**COUNTY OF LOUDOUN, VIRGINIA  
NOTES TO BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2016**

The following procedures are used by the County in establishing the budgetary data reflected in the budgetary comparison schedule.

1. Prior to March 30, the County Administrator submits a proposed operating and capital budget to the Board of Supervisors for the fiscal year commencing on the following July 1. The operating and capital budget includes proposed expenditures and the related financing.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the Fund level. The appropriation for each Fund can be revised only by the Board of Supervisors. The County Administrator is authorized to transfer budgeted amounts within County general government funds.
5. Formal budgetary integration is employed at the cost center level within each department as a management control device during the year.
6. All Budgets are adopted on a basis consistent with Generally Accepted Accounting Principles.
7. Approval by the Board of Supervisors is required for changes that affect the total fund appropriations or estimated revenues. In order to affect a change, a Budget Adjustment is created. Budget adjustments that do not revise the original appropriation are approved/disapproved by the Director of Management and Financial Services and the County Administrator after sufficient justification for the revision to the budget has been received. The County Administrator presents budget adjustments that change appropriations or estimated revenues at the fund level to the Board of Supervisors for consideration of approval.



**COUNTY OF LOUDOUN, VIRGINIA  
VIRGINIA RETIREMENT SYSTEM  
POLITICAL SUBDIVISION RETIREMENT PLANS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**

**PRIMARY GOVERNMENT**

	Measurement Date	
	2015	2014
<b>Total pension liability</b>		
Service cost	\$ 22,353,385	\$ 21,840,726
Interest	39,237,646	36,294,239
Differences between expected and actual experience	(2,390,226)	-
Benefit Payments, including refunds of employee contributions	(17,100,175)	(15,072,398)
<b>Net change in total pension liability</b>	<b>42,100,630</b>	<b>43,062,567</b>
<b>Total pension liability - beginning</b>	<b>569,087,891</b>	<b>526,025,324</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 611,188,521</b>	<b>\$ 569,087,891</b>
 <b>Plan fiduciary net position</b>		
Contributions - employer	\$ 18,748,497	\$ 19,154,774
Contributions - employee	9,261,311	9,032,627
Net investment income	24,118,127	69,969,273
Benefit Payments, including refunds of employee contributions	(17,100,175)	(15,072,398)
Administrative expense	(314,292)	(361,756)
Other	(5,153)	3,687
<b>Net change in total pension liability</b>	<b>34,708,315</b>	<b>82,726,207</b>
<b>Plan fiduciary net position - beginning</b>	<b>518,202,957</b>	<b>435,476,750</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>552,911,272</b>	<b>518,202,957</b>
<b>Net pension liability - ending (a) - (b)</b>	<b>\$ 58,277,249</b>	<b>\$ 50,884,934</b>
 <b>Plan fiduciary net position as a percentage of the total Pension liability</b>	<b>90.46%</b>	<b>91.06%</b>
<b>Covered-employee payroll</b>	<b>\$ 185,735,038</b>	<b>\$ 178,707,569</b>
<b>Net pension liability as a percentage of covered-employee payroll</b>	<b>31.38%</b>	<b>28.47%</b>

**COMPONENT UNIT - NON-PROFESSIONAL PLAN**

	2015	2014
<b>Total pension liability</b>		
Service cost	\$ 5,228,000	\$ 5,409,000
Interest	8,227,000	7,606,000
Differences between expected and actual experience	(902,000)	-
Benefit Payments, including refunds of employee contributions	(4,410,000)	(3,882,000)
<b>Net change in total pension liability</b>	<b>8,143,000</b>	<b>16,739,000</b>
<b>Total pension liability - beginning</b>	<b>119,731,000</b>	<b>110,598,000</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 127,874,000</b>	<b>\$ 127,337,000</b>
 <b>Plan fiduciary net position</b>		
Contributions - employer	\$ 3,637,000	\$ 3,657,000
Contributions - employee	2,527,000	2,521,000
Net investment income	5,276,000	15,392,000
Benefit Payments, including refunds of employee contributions	(4,410,000)	(3,882,000)
Administrative expense	(69,000)	(80,000)
Other	(2,000)	-
<b>Net change in total pension liability</b>	<b>6,959,000</b>	<b>17,608,000</b>
<b>Plan fiduciary net position - beginning</b>	<b>114,164,000</b>	<b>96,556,000</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>121,123,000</b>	<b>114,164,000</b>
<b>Net pension liability - ending (a) - (b)</b>	<b>\$ 6,751,000</b>	<b>\$ 13,173,000</b>
 <b>Plan fiduciary net position as a percentage of the total Pension liability</b>	<b>94.72%</b>	<b>89.66%</b>
<b>Covered-employee payroll</b>	<b>\$ 50,973,799</b>	<b>\$ 50,095,243</b>
<b>Net pension liability as a percentage of covered-employee payroll</b>	<b>13.24%</b>	<b>26.30%</b>

Note: This schedule is intended to show information for 10 years. Since 2015 was the first year for this presentation, ten years of data is not available. However, additional years will be included as they become available.

The component unit issues a publicly available CAFR with more information regarding their retirement plans. A copy of the CAFR can be found on the schools website, <http://www.lcps.org>.

**COUNTY OF LOUDOUN, VIRGINIA**  
**VIRGINIA RETIREMENT SYSTEM**  
**TEACHERS RETIREMENT PLAN**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

**COMPONENT UNIT - SCHOOLS - PROFESSIONAL PLAN**

<b>Fiscal Year</b>	<b>Employer's Proportion of the Net Pension Liability (asset)</b>	<b>Employer's Proportionate Share of the Net Pension Liability (asset)</b>	<b>Employer's Covered-Employee Payroll</b>	<b>Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
2016	6.37%	\$ 802,292,000	\$ 506,291,000	158.46%	70.68%
2015	6.15%	\$ 743,824,733	\$ 473,788,018	156.98%	70.88%

Note: This schedule is intended to show information for 10 years. Since 2015 was the first year for this presentation, ten years of data is not available. However, additional years will be included as they become available.

Amounts presented have a measurement date of the previous fiscal year end.

The component unit issues a publicly available CAFR with more information regarding their retirement plans. A copy of the CAFR can be found on the schools website, <http://www.lcps.org>.

**COUNTY OF LOUDOUN, VIRGINIA  
VIRGINIA RETIREMENT SYSTEM  
POLITICAL SUBDIVISION & TEACHERS RETIREMENT PLANS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

**Primary Government**

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Excess	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2016	\$ 19,379,659	\$ 19,379,659	\$ -	\$ 195,810,252	9.90%
2015	\$ 18,711,241	\$ 18,711,241	\$ -	\$ 187,408,437	9.98%

**Component Unit Non-Professional Plan**

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution (Excess) Deficiency	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2016	\$ 3,826,903	\$ 3,739,163	\$ 87,740	\$ 53,004,200	7.05%
2015	\$ 3,598,750	\$ 3,643,729	\$ (44,979)	\$ 50,973,799	7.15%

**Component Unit Professional Plan (Teachers)**

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2016	\$ 71,353,037	\$ 70,276,318	\$ 1,076,720	\$ 507,489,598	13.85%
2015	\$ 68,699,263	\$ 68,243,888	\$ 455,375	\$ 473,788,018	14.40%

Note: This schedule is intended to show information for 10 years. Since 2015 was the first year for this presentation, ten years of data is not available. However, additional years will be included as they become available.

The component unit issues a publicly available CAFR with more information regarding their retirement plans. A copy of the CAFR can be found on the schools website, <http://www.lcps.org>.

**Notes to Required Supplementary Information  
For the Year Ended June 30, 2016**

**Changes of benefit terms** – There have been no significant changes to the System benefit provisions since the prior actuarial valuation. A hybrid plan with changes to the defined benefit plan structure and a new defined contribution component were adopted in 2012. The hybrid plan applies to most new employees hired on or after January 1, 2014 and not covered by enhanced hazardous duty benefits. The liabilities presented do not reflect the hybrid plan since it covers new members joining the System after the valuation date of June 30, 2013, and the impact on the liabilities as of the measurement date of June 30, 2014 are minimal.

**Changes of assumptions** – The following changes in actuarial assumptions were made effective June 30, 2013 based on the most recent experience study of the System for the four year period ending June 30, 2012:

## Largest 10 – Non-LEOS:

Update mortality table  
Decrease in rates of service retirement  
Decrease in rates of disability retirement  
Reduce rates of salary increase by 0.25% per year

## Largest 10 –LEOS:

Update mortality table  
Decrease in male rates of disability

## All Others (Non 10 Largest) – Non-LEOS: -

Update mortality table  
Decrease in rates of service retirement  
Decrease in rates of disability retirement  
Reduce rates of salary increase by 0.25% per year

## All Others (Non 10 Largest) – LEOS:

Update mortality table  
Adjustments to rates of service retirement for females  
Increase in rates of withdrawal  
Decrease in male and female rates of disability

**COUNTY OF LOUDOUN, VIRGINIA**  
**VOLUNTEER FIRE AND RESCUE RETIREMENT PLAN SCHEDULE OF FUNDING PROGRESS**  
**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF FUNDING PROGRESS (Unaudited)**

	(1)	(2)	(3)	(4)
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (2) - (1)	Funded Ratio (1) / (2)
7/1/2016	\$ 17,898,274	\$ 22,807,923	\$ 4,909,649	78.47%
7/1/2015	19,042,736	20,033,568	990,832	95.05%
7/1/2014	19,101,061	18,784,140	- *	101.69%
7/1/2013	15,498,436	17,121,392	1,622,956	90.52%
7/1/2012	14,180,560	15,887,640	1,707,080	89.26%
7/1/2011	13,250,214	15,037,032	1,786,818	88.12%
7/1/2010	11,888,743	13,377,690	1,488,947	88.87%

All recommended trend information for Volunteer Fire and Rescue Retirement Plan has been calculated using the Attained Age Normal Frozen Initial Liability method. Under this cost method, there are two components to the annual cost each year: The "normal cost" is equal to the level annual payment required to fund the current participant's projected benefits based on their service credit earned after the effective date of the Retirement Plan and before the Entitlement Age. The annual amortization cost equals the level annual payments required to fund over the amortization period, the participant's benefits, if any, based on (1) either service credit earned before the effective date of the plan, (2) unfunded liability created by actuarial losses not funded in the normal cost, or (3) plan amendments that create an immediate unfunded liability and are required to be amortized.

\* The County made a contribution of \$840,686 in fiscal year 2014 to pay the minimum required contribution. A subsequent contribution of \$1,930,151 was made in fiscal year 2014 to fully fund the remaining total unfunded liability.

Analysis of dollar amounts of plan net position, actuarial accrued liability, and unfunded actuarial accrued liability in isolation can be misleading.

Expressing plan net position as a percentage of the actuarial accrued liability provides one indication of a plan's funding status on a going concern basis. Analysis of this percentage over time indicates whether the plan is financially stronger or weaker. Generally, the greater this percentage, the stronger the plan.

**COUNTY OF LOUDOUN, VIRGINIA  
OTHER POSTEMPLOYMENT BENEFITS  
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF FUNDING PROGRESS (Unaudited)**

		(1)	(2)	(3)	(4)	(5)	(6)
	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (2) - (1)	Funded Ratio (1) / (2)	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll ((2)-(1)) / (5)
<b>Primary Government</b>	7/1/2015	\$ 45,456,000	\$ 101,839,000	\$ 56,383,000	44.64%	\$ 157,758,000	35.74%
Other Postemployment	7/1/2013	28,757,000	65,842,000	37,085,000	43.68%	165,086,213	22.46%
Benefits	7/1/2011	15,055,000	111,771,000	96,716,000	13.47%	163,737,000	59.07%
<b>Component Unit</b>	7/1/2015	\$ 104,705,450	\$ 258,306,000	\$ 153,601,000	40.54%	\$ 506,291,000	30.34%
Other Postemployment	7/1/2014	91,482,000	264,365,000	172,883,000	34.60%	477,137,000	36.23%
Benefits	7/1/2013	68,268,000	255,113,000	186,845,000	26.76%	468,435,000	39.89%

This valuation has been calculated using the Projected Unit Credit Actuarial Cost Method, discount rates of 6.5%, and the initial unfunded actuarial liability is amortized over 30 years based on a level percent of payroll method. Under this method, benefits are projected for life and their present value is determined. The present value is divided into equal parts, which are earned over the period from date of hire to the full eligibility date. Please refer to Note XI in the Notes to the Financial Statements section for more information.

**SCHEDULE OF EMPLOYER CONTRIBUTIONS (Unaudited):**

Primary Government Other Postemployment Benefits		
Fiscal Year Ending	Annual Required Contribution	Percentage Contributed
6/30/2016	\$ 6,751,000	150.87%
6/30/2015	7,232,354	138.18%
6/30/2014	6,934,044	138.49%
6/30/2013	11,473,875	99.41%

**SCHEDULE OF EMPLOYER CONTRIBUTIONS (Unaudited):**

Component Unit - Schools Other Postemployment Benefits		
Fiscal Year Ending	Annual Required Contribution	Percentage Contributed
6/30/2016	\$ 21,176,000	114.50%
6/30/2015	23,015,000	107.50%
6/30/2014	23,953,000	97.13%
6/30/2013	35,522,858	49.74%



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## Other Supplementary Information

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Loudoun County Department of Parks, Recreation & Community Services Celebrates 50 Years



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## General Fund

**General Fund** (1110-1112) - This fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**COUNTY OF LOUDOUN, VIRGINIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2016**  
**(With Comparative Actual Amounts for 2015)**

	2016			2015
	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>REVENUES</b>				
<b>From local sources:</b>				
<u>General Property Taxes:</u>				
Real Property Taxes	\$ 765,504,300	\$ 763,644,540	\$ (1,859,760)	\$ 730,906,813
Real and Personal Public Service Corporation Property Taxes	18,239,000	23,003,783	4,764,783	21,153,508
Personal Property Taxes	187,366,200	236,216,594	48,850,394	194,439,448
Machinery and Tools Taxes	1,100,000	1,242,313	142,313	1,182,264
Penalties and Interest	4,958,000	9,650,788	4,692,788	6,098,286
Total General Property Taxes	977,167,500	1,033,758,018	56,590,518	953,780,319
<u>Other Local Taxes</u>				
Local Sales and Use Taxes	63,180,000	68,976,067	5,796,067	61,411,195
Business License Taxes	31,712,400	31,785,671	73,271	31,558,942
Consumer Utility Taxes	22,193,200	21,555,702	(637,498)	22,548,783
Taxes on Recordation and Wills	10,950,000	10,786,451	(163,549)	10,738,255
Motor Vehicle Licenses	6,763,000	6,817,105	54,105	6,547,752
Bank Franchise Taxes	3,100,000	3,870,002	770,002	5,720,221
Hotel and Motel Room Taxes	2,003,000	2,336,629	333,629	2,327,885
Total Other Local Taxes	139,901,600	146,127,627	6,226,027	140,853,033
<u>Permits, Privilege Fees and Regulatory Licenses:</u>				
Animal Licenses	404,750	459,720	54,970	460,541
Permits and Other Licenses	20,585,060	21,925,275	1,340,215	23,663,941
Total Permits, Privilege Fees and Regulatory Licenses	20,989,810	22,384,995	1,395,185	24,124,482
<u>Fines and forfeitures:</u>				
Fines and Forfeitures	2,175,894	1,726,649	(449,245)	2,147,816
Total Fines and Forfeitures	2,175,894	1,726,649	(449,245)	2,147,816
<u>Revenue from Use of Money and Property:</u>				
Revenue from Use of Money	1,105,092	2,041,932	936,840	1,771,178
Revenue from Use of Property	3,788,837	3,790,559	1,722	1,630,556
Total Revenue from Use of Money and Property	4,893,929	5,832,491	938,562	3,401,734
<u>Charges for Services:</u>				
Parks, Recreation and Community Services	17,769,836	17,099,425	(670,411)	16,468,164
Transportation and Capital Infrastructure	9,430,856	8,265,628	(1,165,228)	8,687,493
General Services	5,704,181	5,698,333	(5,848)	6,264,347
Treasurer	442,600	679,006	236,406	1,017,494
Clerk of the Circuit Court	845,000	933,060	88,060	1,002,712
Mental Health, Substance Abuse and Development Svcs	745,500	713,154	(32,346)	710,117
Sheriff's Office	588,667	404,186	(184,481)	477,262
Commissioner of the Revenue	153,000	190,598	37,598	158,551
Animal Services	71,200	92,319	21,119	80,872
Community Corrections	140,238	108,659	(31,579)	61,828
Library	55,843	39,292	(16,551)	46,350
Building and Development	39,000	23,409	(15,591)	24,281
Mapping and Geographic Information	16,800	12,866	(3,934)	17,099
Commonwealth's Attorney	-	9,973	9,973	11,987
Health Services	8,650	2,099	(6,551)	4,676
Boards, Commissions and Committees	-	90	90	2,914
Fire, Rescue and Emergency Management	-	1,155	1,155	1,043
Management and Financial Services	-	45	45	392
County Administrator	-	36	36	164
Planning	-	310	310	90
Information Technology	-	70	70	49
County Attorney	-	250	250	-
Total Charges for Services	36,011,371	34,273,963	(1,737,408)	35,037,885
<u>Miscellaneous Revenue:</u>				
Payments from Component Unit	-	-	-	1,336,176
Gifts and Donations	319,713	129,686	(190,027)	137,005

**COUNTY OF LOUDOUN, VIRGINIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2016**  
**(With Comparative Actual Amounts for 2015)**

	2016		2015
	Final Budget	Actual	Variance Positive (Negative) Actual
Miscellaneous Revenue	247,816	381,708	133,892
Total Miscellaneous Revenue	567,529	511,394	(56,135)
<u>Recovered Costs:</u>			
Recovered Costs	9,832,467	8,798,645	(1,033,822)
Total Recovered Costs	9,832,467	8,798,645	(1,033,822)
<b>Total from Local Sources</b>	<b>1,191,540,100</b>	<b>1,253,413,782</b>	<b>61,873,682</b>
<b>From the Commonwealth:</b>			
<u>Non-categorical Aid:</u>			
State Property Tax Reimbursement	48,071,698	48,070,701	(997)
Auto Daily Rental Tax	6,200,000	6,068,795	(131,205)
Taxes on Deeds	2,600,000	3,036,533	436,533
State Revenue Reductions	147,721	4,985	(142,736)
Mobile Home Titling Taxes	-	1,890	1,890
Motor Vehicle Carrier's Taxes	-	3,204	3,204
Total Non-categorical Aid	57,019,419	57,186,108	166,689
<u>Shared Expenses:</u>			
Sheriff's Office	12,554,799	13,149,022	594,223
Clerk of the Circuit Court	1,114,963	1,026,293	(88,670)
Commonwealth's Attorney	833,230	951,185	117,955
Treasurer	325,171	327,977	2,806
Commissioner of Revenue	306,023	338,780	32,757
Health Services	115,328	-	(115,328)
General Registrar	70,294	100,117	29,823
Electoral boards	13,389	103,489	90,100
Total Shared Expenses	15,333,197	15,996,863	663,666
<u>Categorical Aid:</u>			
Transportation & Capital Infrastructure	3,192,093	3,102,650	(89,443)
Mental Health, Substance Abuse and Development Svcs	5,762,280	3,158,309	(2,603,971)
Family Services	2,910,098	2,804,955	(105,143)
Fire and Rescue	1,895,941	231,202	(1,664,739)
Community Corrections	661,697	657,187	(4,510)
Non-departmental	45,000	5,000	(40,000)
Library	199,643	199,643	-
Parks, Recreation and Community Services	241,194	198,445	(42,749)
General Services	60,408	60,408	-
Sheriff's Office	40,000	38,156	(1,844)
Commonwealth's Attorney	45,000	45,000	-
Regional Organizations	-	-	-
Total Categorical Aid	15,053,354	10,500,955	(4,552,399)
<b>Total from the Commonwealth</b>	<b>87,405,970</b>	<b>83,683,926</b>	<b>(3,722,044)</b>
<b>From the Federal Government:</b>			
<u>Payments in Lieu of Taxes:</u>			
Non-departmental:			
Federally Owned Entitlement Lands	1,800	3,468	1,668
Total Payments in Lieu of Taxes	1,800	3,468	1,668
<u>Categorical Aid:</u>			
Family Services	6,592,030	6,260,891	(331,139)
Transportation & Capital Infrastructure	86,373	56,416	(29,957)
Mental Health, Substance Abuse and Development Svcs	713,857	388,212	(325,645)
Parks, Recreation and Community Services	404,780	391,401	(13,379)
Sheriff's Office	364,700	104,935	(259,765)
Fire and Rescue	163,070	46,181	(116,889)
Electoral Board	3,500	3,500	-
Total Categorical Aid	8,328,310	7,251,536	(1,076,774)
<b>Total from the Federal Government</b>	<b>8,330,110</b>	<b>7,255,004</b>	<b>(1,075,106)</b>
<b>Total Revenues</b>	<b>1,287,276,180</b>	<b>1,344,352,712</b>	<b>57,076,532</b>

**COUNTY OF LOUDOUN, VIRGINIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2016**  
**(With Comparative Actual Amounts for 2015)**

	2016			2015
	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>EXPENDITURES</b>				
<u>General Government Administration:</u>				
Legislative:				
Boards, Commissions and Committees	2,311,717	2,163,003	148,714	2,213,063
Office of the County Administrator	911,664	763,960	147,704	735,060
Total Legislative	3,223,381	2,926,963	296,418	2,948,123
General and Financial Administration:				
Information Technology	28,864,085	25,413,355	3,450,730	22,281,839
Management and Financial Services	13,324,834	11,155,810	2,169,024	11,248,085
Commissioner of Revenue	6,630,273	6,186,123	444,150	5,901,885
Non-departmental	(1,356,618)	7,662,225	(9,018,843)	9,058,674
Transportation & Capital Infrastructure	5,572,972	4,839,806	733,166	4,342,825
Treasurer	4,942,710	4,603,002	339,708	4,828,589
General Services	3,974,084	2,851,055	1,123,029	2,638,644
County Attorney	3,676,327	3,628,847	47,480	3,162,034
County Administrator	1,829,559	1,891,421	(61,862)	1,786,014
Total General and Financial Administration	67,458,226	68,231,644	(773,418)	65,248,589
Elections Administration:				
General Registrar	1,813,295	1,524,075	289,220	2,300,499
General Services	497,519	269,195	228,324	364,231
Total Elections Administration	2,310,814	1,793,270	517,544	2,664,730
<b>Total General Government Administration</b>	<b>72,992,421</b>	<b>72,951,877</b>	<b>40,544</b>	<b>70,861,442</b>
<u>Judicial Administration:</u>				
Courts:				
Sheriff's Office	4,487,971	4,344,097	143,874	4,063,336
Clerk of the Circuit Court	4,113,720	4,112,429	1,291	3,714,667
Courts (Circuit and District)	1,487,501	1,364,039	123,462	984,395
General Services	568,810	801,744	(232,934)	670,864
Total Courts	10,658,002	10,622,309	35,693	9,433,262
Commonwealth's Attorney:				
Commonwealth's Attorney	3,418,610	3,373,625	44,985	3,252,550
General Services	55,581	17,863	37,718	58,316
Total Commonwealth's Attorney	3,474,191	3,391,488	82,703	3,310,866
<b>Total Judicial Administration</b>	<b>14,132,193</b>	<b>14,013,797</b>	<b>118,396</b>	<b>12,744,128</b>
<u>Public Safety:</u>				
Law Enforcement:				
Sheriff's Office	56,376,411	52,616,339	3,760,072	50,012,007
Regional Organizations & Contributions	507,579	507,575	4	451,566
General Services	1,654,073	1,018,510	635,563	949,733
Total Law Enforcement	58,538,063	54,142,424	4,395,639	51,413,306
Traffic Control:				
Sheriff's Office	3,257,034	2,919,214	337,820	2,737,638
Total Traffic Control	3,257,034	2,919,214	337,820	2,737,638
Fire, Rescue and Emergency Management:				
Fire, Rescue and Emergency Services	67,845,060	65,535,963	2,309,097	61,897,358
General Services	2,077,845	2,249,011	(171,166)	2,273,044
Total Fire, Rescue and Emergency Management	69,922,905	67,784,974	2,137,931	64,170,402
Corrections and Juvenile Detention:				
Sheriff's Office	21,203,707	19,920,291	1,283,416	19,319,362
Family Services	3,110,602	2,708,764	401,838	2,561,994
Juvenile Court Service Unit	2,088,873	1,899,150	189,723	1,916,629
Community Corrections	2,078,143	2,011,423	66,720	1,812,013

**COUNTY OF LOUDOUN, VIRGINIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2016**  
**(With Comparative Actual Amounts for 2015)**

	2016		2015
	Final Budget	Actual	Variance Positive (Negative) Actual
Regional Organizations & Contributions	505,096	509,584	(4,488)
General Services	296,829	1,297,695	(1,000,866)
Total Corrections and Juvenile Detention	29,283,250	28,346,907	936,343
Inspections:			
Building and Development	8,910,403	7,813,559	1,096,844
General Services	-	275,633	(275,633)
Total Inspections	8,910,403	8,089,192	821,211
Other Protection:			
Fire, Rescue and Emergency Management	5,246,364	4,839,774	406,590
Animal Control	3,171,726	2,881,312	290,414
General Services	840,738	149,811	690,927
Total Other Protection	9,258,828	7,870,897	1,387,931
<b>Total Public Safety</b>	<b>179,170,483</b>	<b>169,153,608</b>	<b>10,016,875</b>
<u>Public Works:</u>			
Maintenance of Highways, Bridges and Sidewalks:			
General Services	70,650	215,439	(144,789)
Total Maint. of Highways, Streets, Bridges & Sidewalks	70,650	215,439	(144,789)
Construction and Waste Removal:			
General Services	6,655,094	6,093,597	561,497
Total Construction and Waste Removal	6,655,094	6,093,597	561,497
Maintenance of General Buildings and Grounds:			
General Services	13,218,191	11,258,533	1,959,658
Total Maintenance of General Buildings and Grounds	13,218,191	11,258,533	1,959,658
<b>Total Public Works</b>	<b>19,943,935</b>	<b>17,567,569</b>	<b>2,376,366</b>
<u>Health and Welfare:</u>			
Health:			
Health Services	4,789,508	4,630,516	158,992
Regional Organizations & Contributions	405,832	405,832	-
Total Health	5,195,340	5,036,348	158,992
Mental Health, Substance Abuse and Development Svcs:			
Mental Health, Substance Abuse and Development Svcs	37,607,545	33,671,983	3,935,562
Regional Organizations & Contributions	21,662	21,662	-
General Services	1,392,005	1,620,327	(228,322)
Total Mental Health, Substance Abuse and Dev. Svcs	39,021,212	35,313,972	3,707,240
Welfare/Family Services:			
Family Services	24,810,244	19,264,146	5,546,098
Parks, Recreation and Community Services	6,858,533	6,570,381	288,152
Regional Organizations & Contributions	1,479,228	1,481,689	(2,461)
General Services	490,939	1,271,623	(780,684)
Total Welfare/Family Services	33,638,944	28,587,839	5,051,105
<b>Total Health and Welfare</b>	<b>77,855,496</b>	<b>68,938,159</b>	<b>8,917,337</b>
<u>Parks, Recreation and Culture:</u>			
Parks, Recreation and Community Services:			
Parks, Recreation and Community Services	34,007,623	31,689,752	2,317,871
Regional Organizations & Contributions	1,562,884	1,562,884	-
General Services	2,616,691	2,030,148	586,543
Total Parks, Recreation and Community Services	38,187,198	35,282,784	2,904,414
Cultural Enrichment:			
Regional Organizations & Contributions	249,312	246,851	2,461
Total Cultural Enrichment	249,312	246,851	2,461

**COUNTY OF LOUDOUN, VIRGINIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2016**  
**(With Comparative Actual Amounts for 2015)**

	2016		2015	
	Final Budget	Actual	Variance Positive (Negative)	Actual
Library:				
Library Services	15,116,316	14,597,781	518,535	13,706,072
General Services	1,005,389	679,157	326,232	654,657
Total Library	16,121,705	15,276,938	844,767	14,360,729
<b>Total Parks, Recreation and Culture</b>	<b>54,558,215</b>	<b>50,806,573</b>	<b>3,751,642</b>	<b>48,720,506</b>
<u>Community Development:</u>				
Planning and Community Development:				
Building and Development	12,758,516	11,539,281	1,219,235	10,596,567
Planning	6,791,432	6,365,041	426,391	6,119,853
Economic Development	4,699,787	3,364,242	1,335,545	3,165,127
Office of Mapping and Geographic Information	2,453,380	2,327,375	126,005	2,321,090
Transportation & Capital Infrastructure	1,896,546	1,724,193	172,353	1,567,636
Regional Organizations & Contributions	828,487	828,487	-	418,493
General Services	1,534,201	1,084,143	450,058	-
County Administrator	1,081,182	1,009,805	71,377	803,767
Total Planning and Community Development	32,043,531	28,242,567	3,800,964	24,992,533
Environmental Management:				
Regional Organizations & Contributions	1,270,150	1,109,881	160,269	736,495
General Services	7,000	10,619	(3,619)	502,965
Total Environmental Management	1,277,150	1,120,500	156,650	1,239,460
Cooperative Extension Program:				
Extension Services	406,506	399,524	6,982	374,487
General Services	88,176	87,300	876	85,608
Total Cooperative Extension Program	494,682	486,824	7,858	460,095
Transit:				
Office of Transportation Services	20,767,893	19,338,777	1,429,116	16,284,212
General Services	56,975	87,146	(30,171)	-
Total Transit	20,824,868	19,425,923	1,398,945	16,284,212
<b>Total Community Development</b>	<b>54,640,231</b>	<b>49,275,814</b>	<b>5,364,417</b>	<b>42,976,300</b>
<u>Education:</u>				
Educational Institutions				
Loudoun County Public Schools	680,895,107	680,895,107	-	618,930,592
Regional Organizations & Contributions	810,477	810,477	-	776,674
Total Educational Institutions	681,705,584	681,705,584	-	619,707,266
<b>Total Education</b>	<b>681,705,584</b>	<b>681,705,584</b>	<b>-</b>	<b>619,707,266</b>
<b>Total Expenditures</b>	<b>1,154,998,558</b>	<b>1,124,412,981</b>	<b>30,585,577</b>	<b>1,038,325,401</b>
<b>Excess of Revenues Over Expenditures</b>	<b>132,277,622</b>	<b>219,939,731</b>	<b>87,662,109</b>	<b>222,020,096</b>
<b>Other Financing Sources (Uses):</b>				
Transfers-in	14,749,140	14,751,885	2,745	15,382,070
Transfers-out	(239,829,876)	(239,827,070)	2,806	(194,737,631)
Cash from Prior Year Sale of Land to Component Unit	(19,998,042)	(19,998,042)	-	-
Sale of capital assets	-	84,500	84,500	37,128
<b>Total other financing uses, net</b>	<b>(245,078,778)</b>	<b>(244,988,727)</b>	<b>90,051</b>	<b>(179,318,433)</b>
<b>Special Item</b>				
Return of Fiscal Reserve from Component Unit	-	-	-	26,764,758
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under)</b>	<b>(112,801,156)</b>	<b>(25,048,996)</b>	<b>87,752,160</b>	<b>69,466,421</b>
<b>Fund Balances at Beginning of Year, as restated</b>	<b>311,379,664</b>	<b>311,379,664</b>	<b>-</b>	<b>241,913,243</b>
<b>Fund Balances at End of Year</b>	<b>\$ 198,578,508</b>	<b>286,330,668</b>	<b>\$ 87,752,160</b>	<b>\$ 311,379,664</b>

## Non-Major Governmental Funds

<b>Special Revenue Funds</b>
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Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

**Route 28 Special Improvements Fund** (1201) - This fund is used to account for the proceeds from the Route 28 Transportation Taxing District that are legally restricted to expenditures for transportation in that district.

**Aldie Sewer Service District Fund** (1202) - This fund is used to account for the proceeds from the Aldie Sewer Service Taxing District that are legally restricted to expenditures for sewers in that district.

**Comprehensive Services Act Fund** (1203) - This fund is used to account for the general operations of the County's Comprehensive Services for At-Risk Youth and Families. Financing is provided primarily by transfers from General Fund and from State grants.

**Legal Resource Center Fund** (1204) - This fund is used to account for the operations of the Law Library. Financing is provided through court order assessments and other contributions.

**Federally Forfeited Property Fund** (1205) - This fund is used to account for the proceeds from confiscated property that are restricted to use for law enforcement purposes.

**Hotel and Motel Room Tax Fund** (1206) - This fund is used to account for 3% of the 5% Transient Occupancy Tax collected from lodging facilities in the County. These funds are used to promote tourism in the County (2% of Transient Occupancy Tax collected is unrestricted and is used as part of the General Fund).

**County-Wide Sewer Service District Fund** (1207) - This fund is used to account for the proceeds from the Virginia Resources Authority that are legally restricted to expenditures for small water facility projects in the County.

**Hamilton Sewer Service District Fund** (1208) - This fund is used to account for the proceeds from the Hamilton Sewer Service Taxing District that are legally restricted to expenditures for sewers in that district.

**Community Development Authority Fund** (1209) - This fund is designed to collect a special assessment on real property for the purpose of paying debt service to finance and construct public infrastructure at the Dulles Town Center development.

**Rental Assistance Program Fund** (1210) - This fund is used to account for proceeds received from the U.S. Department of Housing and Urban Development (HUD) so the County can act as direct administrator for the Section 8 Rental Assistance Program.

**Dulles Industrial Park Water and Sewer** (1211) - This fund is used to account for the proceeds from the Dulles Industrial Park Water & Sewer Taxing District that are legally restricted to expenditures for the construction of water and sewer lines in that district. The district consists of 24 properties located north of U.S. Route 50, near the Loudoun County-Fairfax County boundary. The special assessment was negotiated on a per property basis and is intended to generate \$1,650,000 in revenue over 10 years.

**Greenlea Tax District Fund** (1212) - This fund is used to account for the proceeds from the Greenlea Tax District within the Blue Ridge magisterial that are legally restricted to expenditures for the replacement of the damaged bridge on Crooked Bridge Road. The district consists of 19 properties and the assessment is allocated equally among 19 properties in the community and is intended to generate \$660,575.18 in revenue over 15 years at six percent (6%) interest per year.

**State/Federal Grant Fund** (1213) - This fund is used to account for all competitive State and Federal grants received by the County and the fund is restricted accordingly.

**Public Facilities Fund** (1215) - This fund is used to account for monies provided by private donors and other miscellaneous sources, restricted to use for any public facility or service purposes.

**Sheriff's Fund** (1216) - This fund is used to account for monies provided by private donors and other miscellaneous sources, restricted to use for law enforcement purposes.

**Animal Shelter Fund** (1217) - This fund is used to account for monies provided by private donors and other miscellaneous sources, restricted to use for the animal shelter.

**Housing Fund** (1218) - This fund is used to account for monies provided by private donors and other miscellaneous sources, restricted to use for affordable housing in the County.

**Transportation District Fund** (1219) - This fund is used to account for monies collected as local gas sales tax, restricted to use for transportation purposes. For Fiscal Year 2011, the Public Transportation Fund (220), which is used to account for the County's share of construction costs associated with Phases II and III of the Dulles Transit Project, is combined with this fund.

**Uran Holocaust Fund** (1220) - This fund is used to account for monies provided by a private donor, restricted to use for the purchase of educational holocaust materials in the libraries.

**Horton Program For The Arts Fund** (1222) - This fund is used to account for monies provided by private donors, restricted to use for the funding of cultured and arts programs at the Eastern Loudoun Regional Library.

**Symington Fund** (1223) - This fund is used to account for monies provided by private donor, restricted to use only for public purposes, including purchase or construction of improvements, purchase of books, services, and equipment in the Rust Library.

**EMS Transport Fund** (1224) - This fund is used to account for monies derived through the EMS Transport Reimbursement Program and the distribution of those revenues to the respective Volunteer Companies and the Department of Fire, Rescue & Emergency Management.

**Stormwater Maintenance Fund** (1225) - This fund is used to account for the collection of one-time non-refundable maintenance security contributions from property owners that are restricted for use to perform maintenance and repair of non-traditional underground stormwater filtrations systems upon default by the property owner of the Facilities Maintenance Performance Agreement.

## **Capital Funds**

Capital funds are used to account for the acquisition, construction or replacement of major capital facilities other than those financed by proprietary funds and trust funds.

**Capital Projects Fund** (1310) - This fund is used to account for the purchase and/or construction of major capital facilities, including buildings, land, major equipment, and other long-lived improvements for the general government. Financing is provided primarily by bond issues, State and Federal grants, and transfers from the General Fund.

**Capital Asset Preservation Fund** (1320) - This fund is used to account for the repair and/or replacement of major capital facilities, including buildings, major equipment, and other long-lived improvements for the general government. Financing is provided primarily by transfers from the General Fund.

**Major Equipment Replacement Fund** (1325) - This fund is used to accumulate resources to allow for the scheduled and emergency replacement of major equipment over \$5,000 in value.

**Capital Projects Financing Fund** (1330) - This fund is a pass-through fund that is used to account for the issuance of general obligation bonds and transfer to the appropriate capital projects.

## **Debt Service Funds**

**Debt Service Fund** (1410) - This fund is used to account for the accumulation of resources for and the payment of general long-term debt principal, interest, and related costs. Financing is provided primarily by transfers from the General Fund.





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COUNTY OF LOUDOUN, VIRGINIA

COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
AS OF JUNE 30, 2016

	Special Revenue Funds					
	Route 28 Special Improv.	Aldie Sewer Service District	Comprehensive Services Act	Legal Resource Center	Federally Forfeited Property	Hotel and Motel Room Tax
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted Cash and Investments	-	-	-	-	-	-
Receivables, Net:						
Taxes	167,305	-	-	-	-	1,049,053
Accounts	-	-	51	1,242	-	-
Interfund Receivables	2,969,821	-	3,337,794	9,703	583,568	201,387
Due from Other Governments	-	-	1,281,110	-	-	-
Inventory	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-
Notes and Loans Receivable, Net	-	-	-	-	-	-
Total Assets	<u>\$ 3,137,126</u>	<u>\$ -</u>	<u>\$ 4,618,955</u>	<u>\$ 10,945</u>	<u>\$ 583,568</u>	<u>\$ 1,250,440</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts Payable	\$ 2,880,228	\$ -	\$ 693,493	\$ 403	\$ -	\$ -
Accrued Liabilities	-	-	-	3,054	-	-
Unearned Revenues	-	-	-	-	583,568	-
Interfund Payables	-	-	-	-	-	-
Due to Component Unit	-	-	-	-	-	-
Other Liabilities	-	-	-	-	-	-
Total Liabilities	<u>2,880,228</u>	<u>-</u>	<u>693,493</u>	<u>3,457</u>	<u>583,568</u>	<u>-</u>
Deferred Inflows of Resources						
Property Taxes	86,835	-	-	-	-	-
Prepaid Taxes	81,320	-	-	-	-	-
Total Deferred Inflows of Resources	<u>168,155</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:						
Non-spendable	-	-	-	-	-	-
Restricted	88,743	-	-	7,488	-	912,032
Committed	-	-	3,925,462	-	-	338,408
Assigned	-	-	-	-	-	-
Total Fund Balances	<u>88,743</u>	<u>-</u>	<u>3,925,462</u>	<u>7,488</u>	<u>-</u>	<u>1,250,440</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 3,137,126</u>	<u>\$ -</u>	<u>\$ 4,618,955</u>	<u>\$ 10,945</u>	<u>\$ 583,568</u>	<u>\$ 1,250,440</u>

County-Wide Sewer Service District	Hamilton Sewer Service District	Community Devel. Authority	Rental Assistance Program	Dulles Industrial Park W&S	Greenlea Tax District
\$ -	\$ -	\$ -	\$ 2,134,565	\$ -	\$ -
-	-	-	-	-	-
-	723	-	-	7,793	11,589
-	-	-	25,541	-	-
13,918	189,033	1,508,459	-	-	11,589
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ 13,918	\$ 189,756	\$ 1,508,459	\$ 2,160,106	\$ 7,793	\$ 23,178
\$ -	\$ 1,512	\$ 1,508,459	\$ -	\$ 3,172	\$ 11,589
-	-	-	21,433	-	-
-	-	-	1,234,277	-	-
-	-	-	664,620	107	-
-	-	-	4,017	-	-
-	-	-	235,759	-	-
-	1,512	1,508,459	2,160,106	3,279	11,589
-	548	-	-	4,319	10,430
-	-	-	-	195	-
-	548	-	-	4,514	10,430
-	-	-	-	-	-
13,918	-	-	-	-	1,159
-	187,696	-	-	-	-
-	-	-	-	-	-
13,918	187,696	-	-	-	1,159
\$ 13,918	\$ 189,756	\$ 1,508,459	\$ 2,160,106	\$ 7,793	\$ 23,178

**COUNTY OF LOUDOUN, VIRGINIA**

**COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
AS OF JUNE 30, 2016**

	<b>Special Revenue Funds</b>						
	<b>State Federal Grant</b>	<b>Public Facilities Fund</b>	<b>Sheriff's Fund</b>	<b>Animal Shelter</b>	<b>Housing Fund</b>	<b>Transportation District</b>	<b>Uran Holocaust</b>
<b>ASSETS</b>							
Cash and Cash Equivalents	\$ -	\$ 1,128	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted Cash and Investments	-	-	-	-	-	35,228,412	-
Receivables, Net:							
Taxes	-	-	-	-	-	1,686,934	-
Accounts	783	-	120	185	333	2,852,083	-
Due from Other Funds	2,177,612	128,271,037	34,873	382,825	29,289,862	-	202,922
Due from Other Governments	308,387	-	-	-	-	-	-
Property held for resale	-	-	-	-	261,886	-	-
Prepaid Items	17,820	-	-	-	-	-	-
Notes and Loans Receivable, Net	141,013	-	-	-	1,720,202	-	-
Total Assets	<u>\$ 2,645,615</u>	<u>\$ 128,272,165</u>	<u>\$ 34,993</u>	<u>\$ 383,010</u>	<u>\$ 31,272,283</u>	<u>\$ 39,767,429</u>	<u>\$ 202,922</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts Payable	\$ 231,825	\$ 281,341	\$ 241	\$ -	\$ 7	\$ 13,184	\$ -
Accrued Liabilities	10,651	-	-	-	-	-	-
Unearned Revenues	2,164,697	-	-	-	-	144,496	-
Due to Other Funds	-	-	-	-	-	5,094,952	-
Due to Component Unit	-	1,605,926	-	-	-	-	-
Other Liabilities	-	-	-	-	-	3,354,680	-
Total Liabilities	<u>2,407,173</u>	<u>1,887,267</u>	<u>241</u>	<u>-</u>	<u>7</u>	<u>8,607,312</u>	<u>-</u>
Deferred Inflows of Resources							
Property Taxes	-	-	-	-	-	335,002	-
Prepaid Taxes	-	-	-	-	-	40,719	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>375,721</u>	<u>-</u>
Fund Balances:							
Non-spendable	158,833	-	-	-	1,982,088	-	-
Restricted	79,609	126,384,898	34,752	383,010	29,290,188	27,961,585	148,322
Committed	-	-	-	-	-	13,671	-
Assigned	-	-	-	-	-	2,809,140	54,600
Total Fund Balances	<u>238,442</u>	<u>126,384,898</u>	<u>34,752</u>	<u>383,010</u>	<u>31,272,276</u>	<u>30,784,396</u>	<u>202,922</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 2,645,615</u>	<u>\$ 128,272,165</u>	<u>\$ 34,993</u>	<u>\$ 383,010</u>	<u>\$ 31,272,283</u>	<u>\$ 39,767,429</u>	<u>\$ 202,922</u>

Horton Program For the Arts	Symington Fund	EMS Transport	Stormwater Maintenance	Capital Funds			Total Non-Major Governmental Funds
				Capital Asset Preservation	Major Equipment Replacement	Capital Project Financing	
\$ -	\$ -	\$ 12,931	\$ -	\$ -	\$ -	\$ -	\$ 2,148,624
-	-	-	-	52,434	-	-	35,280,846
-	-	-	-	-	-	-	2,923,397
-	146,106	23,192	-	9,164	-	-	3,058,800
20,373	4,030,444	2,491,594	8,905	5,129,569	3,349,874	-	184,215,162
-	-	-	-	-	-	-	1,589,497
-	-	-	-	-	-	-	261,886
-	-	-	-	257,424	-	-	275,244
-	-	-	-	-	-	-	1,861,215
<u>\$ 20,373</u>	<u>\$ 4,176,550</u>	<u>\$ 2,527,717</u>	<u>\$ 8,905</u>	<u>\$ 5,448,591</u>	<u>\$ 3,349,874</u>	<u>\$ -</u>	<u>\$ 231,614,671</u>
\$ -	\$ 1,244	\$ 611,561	\$ -	\$ 456,167	\$ 192,290	\$ -	\$ 6,886,716
-	-	9,186	-	-	-	-	44,324
-	-	-	-	-	-	-	4,127,038
-	-	-	-	-	-	-	5,759,679
-	-	-	-	-	-	-	1,609,943
-	-	-	-	-	-	-	3,590,439
-	1,244	620,747	-	456,167	192,290	-	22,018,139
-	-	-	-	-	-	-	437,134
-	-	-	-	-	-	-	122,234
-	-	-	-	-	-	-	559,368
-	-	-	-	257,424	-	-	2,398,345
19,373	4,115,306	1,893,470	8,905	1,220,685	2,145,920	-	194,709,363
-	-	13,500	-	3,496,991	-	-	7,975,728
1,000	60,000	-	-	17,324	1,011,664	-	3,953,728
<u>20,373</u>	<u>4,175,306</u>	<u>1,906,970</u>	<u>8,905</u>	<u>4,992,424</u>	<u>3,157,584</u>	<u>-</u>	<u>209,037,164</u>
<u>\$ 20,373</u>	<u>\$ 4,176,550</u>	<u>\$ 2,527,717</u>	<u>\$ 8,905</u>	<u>\$ 5,448,591</u>	<u>\$ 3,349,874</u>	<u>\$ -</u>	<u>\$ 231,614,671</u>

COUNTY OF LOUDOUN, VIRGINIA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016

	Special Revenue Funds					
	Route 28 Special Improvements	Aldie Sewer Service District	Comprehensive Services Act	Legal Resource Center	Federally Forfeited Property	Hotel and Motel Room Tax
<b>REVENUES</b>						
General Property Taxes	\$ 10,038,734	\$ -	\$ -	\$ -	\$ -	\$ -
Other Local Taxes	-	-	-	-	-	3,384,081
Permits and Licenses	-	-	-	-	-	-
Use of Money and Property	-	-	-	-	-	-
Charges for Services	-	-	-	45,489	-	-
Gifts and Donations	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Recovered Costs	-	-	579,423	-	1,983	-
Intergovernmental - Commonwealth	-	-	2,114,147	-	-	-
Intergovernmental - Federal	-	-	-	-	219,535	-
Total Revenues	10,038,734	-	2,693,570	45,489	221,518	3,384,081
<b>EXPENDITURES</b>						
Current Operating:						
General Government Administration	-	-	-	-	-	-
Judicial Administration	-	-	-	94,115	14,162	-
Public Safety	-	-	-	-	212,196	-
Public Works	10,096,956	-	-	-	-	-
Health and Welfare	-	-	6,919,198	-	-	-
Parks, Recreation and Culture	-	-	-	-	-	-
Community Development	-	-	-	-	-	2,304,000
Education	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	10,096,956	-	6,919,198	94,115	226,358	2,304,000
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	(58,222)	-	(4,225,628)	(48,626)	(4,840)	1,080,081
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	146,965	462	4,171,542	52,703	-	-
Transfers Out	-	-	(183,000)	-	-	(383,047)
Bond Proceeds	-	-	-	-	-	-
Proceeds from Capital Leases	-	-	-	-	-	-
Federal Loan Proceeds	-	-	-	-	-	-
Sales of Capital Assets	-	-	-	-	4,840	-
Total Other Financing Sources (Uses), Net	146,965	462	3,988,542	52,703	4,840	(383,047)
Net Change in Fund Balances	88,743	462	(237,086)	4,077	-	697,034
Fund Balances at Beginning of Year	-	(462)	4,162,548	3,411	-	553,406
Fund Balances at End of Year	\$ 88,743	\$ -	\$ 3,925,462	\$ 7,488	\$ -	\$ 1,250,440

**Schedule 3**  
Continued

County-Wide Sewer Service District	Hamilton Sewer Service District	Community Development Authority	Rental Assistance Program	Dulles Industrial Park W&S	Greenlea Tax District
\$ -	\$ 1,512	\$ 2,941,917	\$ -	\$ 142,912	\$ 33,872
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	367	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,803	-	-
-	-	-	39,605	-	-
-	-	-	-	-	-
-	-	-	7,974,522	-	-
-	1,512	2,941,917	8,016,297	142,912	33,872
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	142,912	35,031
-	-	-	8,031,462	-	-
-	-	-	-	-	-
-	1,512	2,941,917	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	1,512	2,941,917	8,031,462	142,912	35,031
-	-	-	(15,165)	-	(1,159)
-	-	-	15,165	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	15,165	-	-
-	-	-	-	-	(1,159)
13,918	187,696	-	-	-	2,318
\$ 13,918	\$ 187,696	\$ -	\$ -	\$ -	\$ 1,159

**COUNTY OF LOUDOUN, VIRGINIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Special Revenue Funds						
	State Federal Grant	Public Facilities Fund	Sheriff's Fund	Animal Shelter	Housing Fund	Transportation District	Uran Holocaust
<b>REVENUES</b>							
General Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	6,913,428	\$ -
Other Local Taxes	-	-	-	-	-	24,178,101	-
Permits and Licenses	-	-	-	-	-	-	-
Use of Money and Property	-	395,988	-	-	1,997	99,854	661
Charges for Services	-	-	-	-	-	-	-
Gifts and Donations	-	42,157,147	9,790	104,137	1,408,068	-	-
Miscellaneous	798	-	-	-	6,545	-	-
Recovered Costs	164	-	-	-	117	-	-
Intergovernmental - Commonwealth	1,124,652	-	-	9,965	-	-	-
Intergovernmental - Federal	2,415,489	-	-	-	-	-	-
Total Revenues	3,541,103	42,553,135	9,790	114,102	1,416,727	31,191,383	661
<b>EXPENDITURES</b>							
Current Operating:							
General Government Administration	-	-	-	-	-	-	-
Judicial Administration	71,085	-	-	-	-	-	-
Public Safety	739,923	942,459	16,531	-	-	-	-
Public Works	-	40,082	-	-	-	-	-
Health and Welfare	2,484,955	-	-	-	141,710	-	-
Parks, Recreation and Culture	-	-	-	-	-	-	29,900
Community Development	174,581	44,932	-	-	-	1,703,911	-
Education	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Total Expenditures	3,470,544	1,027,473	16,531	-	141,710	1,703,911	29,900
Excess (Deficiency) of Revenues							
Over (Under) Expenditures	70,559	41,525,662	(6,741)	114,102	1,275,017	29,487,472	(29,239)
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers In	-	-	-	-	-	79,561,588	-
Transfers Out	(42,168)	(56,490,203)	-	(39,000)	-	(118,526,297)	-
Bonds Issued	-	-	-	-	-	-	-
Capital Leases Issued	-	-	-	-	-	-	-
Federal Loan Proceeds	-	-	-	-	-	-	-
Sales of Capital Assets	-	-	-	-	-	-	-
Total Other Financing Sources (uses), Net	(42,168)	(56,490,203)	-	(39,000)	-	(38,964,709)	-
Net Change in Fund Balances	28,391	(14,964,541)	(6,741)	75,102	1,275,017	(9,477,237)	(29,239)
Fund Balances at Beginning of Year	210,051	141,349,439	41,493	307,908	29,997,259	40,261,633	232,161
Fund Balances at End of Year	\$ 238,442	\$ 126,384,898	\$ 34,752	\$ 383,010	\$ 31,272,276	\$ 30,784,396	\$ 202,922



Horton Program For the Arts	Symington Fund	EMS Transport	Stormwater Maintenance	Capital Funds			Total Non-Major Governmental Funds
				Capital Asset Preservation	Major Equipment Replacement	Capital Projects Financing	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,072,375
-	-	-	-	67,064	-	-	27,629,246
-	-	-	-	1,610	-	-	1,610
65	81,962	-	-	-	-	-	580,894
-	-	3,984,276	8,905	-	-	-	4,038,670
1,500	-	-	-	-	-	-	43,680,642
-	-	-	-	-	-	-	9,146
-	-	-	-	493,381	-	-	1,114,673
-	-	-	-	-	-	-	3,248,764
-	-	-	-	-	-	-	10,609,546
1,565	81,962	3,984,276	8,905	562,055	-	-	110,985,566
-	-	-	-	-	-	-	-
-	-	-	-	71,257	-	-	71,257
-	-	-	-	-	25,685	-	205,047
-	-	1,815,350	-	-	-	-	3,726,459
-	-	-	-	3,427,301	-	-	13,742,282
-	-	-	-	-	-	-	17,577,325
750	16,227	-	-	920,684	-	-	967,561
-	-	-	-	-	-	-	7,170,853
-	-	-	-	-	-	54,586,000	54,586,000
-	-	-	-	1,318,878	816,731	-	2,135,609
750	16,227	1,815,350	-	5,738,120	842,416	54,586,000	100,182,393
-	-	-	-	-	-	-	-
815	65,735	2,168,926	8,905	(5,176,065)	(842,416)	(54,586,000)	10,803,173
-	-	-	-	-	-	-	-
-	-	-	-	6,306,000	4,000,000	-	94,254,425
-	-	(280,805)	-	-	-	(163,335,239)	(339,279,759)
-	-	-	-	-	-	86,585,000	86,585,000
-	-	-	-	-	-	88,940,000	88,940,000
-	-	-	-	-	-	42,396,239	42,396,239
-	-	-	-	-	-	-	4,840
-	-	(280,805)	-	6,306,000	4,000,000	54,586,000	(27,099,255)
815	65,735	1,888,121	8,905	1,129,935	3,157,584	-	(16,296,082)
19,558	4,109,571	18,849	-	3,862,489	-	-	225,333,246
\$ 20,373	\$ 4,175,306	\$ 1,906,970	\$ 8,905	\$ 4,992,424	\$ 3,157,584	\$ -	\$ 209,037,164

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
ROUTE 28 SPECIAL IMPROVEMENTS FUND  
FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Final Budgeted Amount</b>	<b>Actual Amount</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>			
General Property Taxes	\$ 10,021,000	\$ 10,038,734	\$ 17,734
Transfers from Other Funds	146,965	146,965	-
Amounts Available for Appropriation	<u>10,167,965</u>	<u>10,185,699</u>	<u>17,734</u>
<b>Charges to Appropriations (Outflows)</b>			
Public Works	10,167,965	10,096,956	71,009
Total Charges to Appropriations	<u>10,167,965</u>	<u>10,096,956</u>	<u>71,009</u>
<b>Excess of Resources Over</b>			
Charges to Appropriations	-	88,743	88,743
<b>Fund Balance at Beginning of Year</b>	-	-	-
<b>Fund Balance at End of Year</b>	<u>\$ -</u>	<u>\$ 88,743</u>	<u>\$ 88,743</u>

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
COMPREHENSIVE SERVICES ACT FUND  
FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Final Budgeted Amount</b>	<b>Actual Amount</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>			
Recovered Costs	\$ 1,140,000	\$ 579,423	\$ (560,577)
Intergovernmental - Commonwealth	3,999,514	2,114,147	(1,885,367)
Transfers from Other Funds	4,171,542	4,171,542	-
Amounts Available for Appropriation	<u>9,311,056</u>	<u>6,865,112</u>	<u>(2,445,944)</u>
<b>Charges to Appropriations (Outflows)</b>			
Health and Welfare	9,424,016	6,919,198	2,504,818
Transfers to Other Funds	183,000	183,000	-
Total Charges to Appropriations	<u>9,607,016</u>	<u>7,102,198</u>	<u>2,504,818</u>
<b>Excess (Deficiency) of Resources Over (Under)</b>			
Charges to Appropriations	(295,960)	(237,086)	58,874
<b>Fund Balance at Beginning of Year</b>	4,162,548	4,162,548	-
<b>Fund Balance at End of Year</b>	<u><u>\$ 3,866,588</u></u>	<u><u>\$ 3,925,462</u></u>	<u><u>\$ 58,874</u></u>

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
LEGAL RESOURCES CENTER FUND  
FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Final Budgeted Amount</b>	<b>Actual Amount</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>			
Charges for Services	\$ 44,246	\$ 45,489	\$ 1,243
Transfers from Other Funds	52,703	52,703	-
Amounts Available for Appropriation	<u>96,949</u>	<u>98,192</u>	<u>1,243</u>
<b>Charges to Appropriations (Outflows)</b>			
Judicial Administration	96,949	94,115	2,834
Total Charges to Appropriations	<u>96,949</u>	<u>94,115</u>	<u>2,834</u>
<b>Excess of Resources Over</b>			
Charges to Appropriations	-	4,077	4,077
<b>Fund Balance at Beginning of Year</b>	3,411	3,411	-
<b>Fund Balance at End of Year</b>	<u><u>\$ 3,411</u></u>	<u><u>\$ 7,488</u></u>	<u><u>\$ 4,077</u></u>

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
FEDERALLY FORFEITED PROPERTY FUND  
FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Final Budgeted Amount</b>	<b>Actual Amount</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>			
Recovered Costs	\$ 30,818	\$ 1,983	\$ (28,835)
Sales of Capital Assets	4,840	4,840	-
Intergovernmental - Federal	226,488	219,535	(6,953)
Amounts Available for Appropriation	<u>262,146</u>	<u>226,358</u>	<u>(35,788)</u>
<b>Charges to Appropriations (Outflows)</b>			
Judicial Administration	18,219	14,162	4,057
Public Safety	243,927	212,196	31,731
Total Charges to Appropriations	<u>262,146</u>	<u>226,358</u>	<u>35,788</u>
<b>Excess of Resources Over</b>			
Charges to Appropriations	-	-	-
<b>Fund Balance at Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance at End of Year</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**COUNTY OF LOUDOUN, VIRGINIA**  
**BUDGETARY COMPARISON SCHEDULE**  
**HOTEL AND MOTEL ROOM TAX FUND**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
<b>Resources (Inflows)</b>			
Other Local Taxes	\$ 3,005,400	\$ 3,384,081	\$ 378,681
Amounts Available for Appropriation	<u>3,005,400</u>	<u>3,384,081</u>	<u>378,681</u>
<b>Charges to Appropriations (Outflows)</b>			
Community Development	2,304,050	2,304,000	50
Transfers to Other Funds	383,047	383,047	-
Total Charges to Appropriations	<u>2,687,097</u>	<u>2,687,047</u>	<u>50</u>
<b>Excess of Resources Over</b>			
Charges to Appropriations	318,303	697,034	378,731
<b>Fund Balance at Beginning of Year</b>	553,406	553,406	-
<b>Fund Balance at End of Year</b>	<u><u>\$ 871,709</u></u>	<u><u>\$ 1,250,440</u></u>	<u><u>\$ 378,731</u></u>

**COUNTY OF LOUDOUN, VIRGINIA**  
**BUDGETARY COMPARISON SCHEDULE**  
**COMMUNITY DEVELOPMENT AUTHORITY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Final Budgeted Amount</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Resources (Inflows)</b>			
General Property Taxes	\$ 3,500,000	\$ 2,941,917	\$ (558,083)
Amounts Available for Appropriation	<u>3,500,000</u>	<u>2,941,917</u>	<u>(558,083)</u>
 <b>Charges to Appropriations (Outflows)</b>			
Community Development	3,500,000	2,941,917	558,083
Total Charges to Appropriations	<u>3,500,000</u>	<u>2,941,917</u>	<u>558,083</u>
 <b>Excess of Resources Over</b>			
Charges to Appropriations	-	-	-
<b>Fund Balance at Beginning of Year</b>	-	-	-
<b>Fund Balance at End of Year</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
RENTAL ASSISTANCE PROGRAM FUND  
FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Final Budgeted Amount</b>	<b>Actual Amount</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>			
Use of Money and Property	\$ 368	\$ 367	\$ (1)
Miscellaneous	5,927	1,803	\$ (4,124)
Recovered Costs	39,608	39,605	(3)
Intergovernmental - Federal	8,149,601	7,974,522	(175,079)
Transfers from Other Funds	15,165	15,165	-
Amounts Available for Appropriation	<u>8,210,669</u>	<u>8,031,462</u>	<u>(179,207)</u>
<b>Charges to Appropriations (Outflows)</b>			
Health and Welfare	8,210,669	8,031,462	179,207
Total Charges to Appropriations	<u>8,210,669</u>	<u>8,031,462</u>	<u>179,207</u>
<b>Excess of Resources Over</b>			
Charges to Appropriations	-	-	-
<b>Fund Balance at Beginning of Year</b>	-	-	-
<b>Fund Balance at End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**COUNTY OF LOUDOUN, VIRGINIA**  
**BUDGETARY COMPARISON SCHEDULE**  
**DULLES INDUSTRIAL PARK WATER AND SEWER FUND**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Final Budgeted Amount</b>	<b>Actual Amount</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>			
General Property Taxes	\$ 143,752	\$ 142,912	\$ (840)
Amounts Available for Appropriation	<u>143,752</u>	<u>142,912</u>	<u>(840)</u>
<b>Charges to Appropriations (Outflows)</b>			
Public Works	143,752	142,912	840
Total Charges to Appropriations	<u>143,752</u>	<u>142,912</u>	<u>840</u>
<b>Excess of Resources Over</b>			
Charges to Appropriations	-	-	-
<b>Fund Balance at Beginning of Year</b>	-	-	-
<b>Fund Balance at End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
GREENLEA TAX DISTRICT FUND  
FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Final Budgeted Amount</b>	<b>Actual Amount</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>			
General Property Taxes	\$ 44,038	\$ 33,872	\$ (10,166)
Amounts Available for Appropriation	44,038	33,872	(10,166)
<b>Charges to Appropriations (Outflows)</b>			
Public Works	44,038	35,031	9,007
Total Charges to Appropriations	44,038	35,031	9,007
<b>Deficiency of Resources Under</b>			
Charges to Appropriations	-	(1,159)	(1,159)
<b>Fund Balance at Beginning of Year</b>	2,318	2,318	-
<b>Fund Balance at End of Year</b>	<u>\$ 2,318</u>	<u>\$ 1,159</u>	<u>\$ (1,159)</u>

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
STATE AND FEDERAL GRANT FUND  
FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Final Budgeted Amount</b>	<b>Actual Amount</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>			
Miscellaneous	\$ -	\$ 798	\$ 798
Recovered Costs	108,372	164	(108,208)
Intergovernmental - Commonwealth	2,567,832	1,124,652	(1,443,180)
Intergovernmental - Federal	5,518,997	2,415,489	(3,103,508)
Amounts Available for Appropriation	<u>8,195,201</u>	<u>3,541,103</u>	<u>(4,654,098)</u>
<b>Charges to Appropriations (Outflows)</b>			
Judicial Administration	71,085	71,085	-
Public Safety	2,965,531	739,923	2,225,608
Health and Welfare	4,834,867	2,484,955	2,349,912
Community Development	281,550	174,581	106,969
Transfers to Other Funds	42,168	42,168	-
Total Charges to Appropriations	<u>8,195,201</u>	<u>3,512,712</u>	<u>4,682,489</u>
<b>Excess of Resources Over</b>			
Charges to Appropriations	-	28,391	28,391
<b>Fund Balance at Beginning of Year</b>	<u>210,051</u>	<u>210,051</u>	<u>-</u>
<b>Fund Balance at End of Year</b>	<u>\$ 210,051</u>	<u>\$ 238,442</u>	<u>\$ 28,391</u>

COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
PUBLIC FACILITIES FUND  
FOR THE YEAR ENDED JUNE 30, 2016

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
<b>Resources (Inflows)</b>			
Use of Money and Property	\$ 1,216,777	\$ 395,988	\$ (820,789)
Gifts and Donations	52,390,468	42,157,147	(10,233,321)
Amounts Available for Appropriation	53,607,245	42,553,135	(11,054,110)
<b>Charges to Appropriations (Outflows)</b>			
Public Safety	1,037,068	942,459	94,609
Public Works	23,724	40,082	(16,358)
Community Development	-	44,932	(44,932)
Transfers to Other Funds	52,546,453	56,490,203	(3,943,750)
Total Charges to Appropriations	53,607,245	57,517,676	(3,910,431)
<b>Deficiency of Resources Under</b>			
Charges to Appropriations	-	(14,964,541)	(14,964,541)
<b>Fund Balance at Beginning of Year</b>	141,349,439	141,349,439	-
<b>Fund Balance at End of Year</b>	<u>\$ 141,349,439</u>	<u>\$ 126,384,898</u>	<u>\$ (14,964,541)</u>

**COUNTY OF LOUDOUN, VIRGINIA**  
**BUDGETARY COMPARISON SCHEDULE**  
**SHERIFF'S FUND**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Final Budgeted Amount</b>	<b>Actual Amount</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>			
Gifts and Donations	\$ 39,335	\$ 9,790	\$ (29,545)
Amounts Available for Appropriation	39,335	9,790	(29,545)
<b>Charges to Appropriations (Outflows)</b>			
Public Safety	39,335	16,531	22,804
Total Charges to Appropriations	39,335	16,531	22,804
<b>Deficiency of Resources Under</b>			
Charges to Appropriations	-	(6,741)	(6,741)
<b>Fund Balance at Beginning of Year</b>	41,493	41,493	-
<b>Fund Balance at End of Year</b>	<u>\$ 41,493</u>	<u>\$ 34,752</u>	<u>\$ (6,741)</u>

**COUNTY OF LOUDOUN, VIRGINIA**  
**BUDGETARY COMPARISON SCHEDULE**  
**ANIMAL SHELTER FUND**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Final Budgeted Amount</b>	<b>Actual Amount</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>			
Gifts and Donations	\$ 20,000	\$ 104,137	\$ 84,137
Intergovernmental - Commonwealth	19,000	9,965	(9,035)
Amounts Available for Appropriation	39,000	114,102	75,102
<b>Charges to Appropriations (Outflows)</b>			
Transfers to Other Funds	39,000	39,000	-
Total Charges to Appropriations	39,000	39,000	-
<b>Excess of Resources Over</b>			
Charges to Appropriations	-	75,102	75,102
<b>Fund Balance at Beginning of Year</b>	307,908	307,908	-
<b>Fund Balance at End of Year</b>	<u>\$ 307,908</u>	<u>\$ 383,010</u>	<u>\$ 75,102</u>

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
HOUSING FUND  
FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Final Budgeted Amount</b>	<b>Actual Amount</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>			
Use of Money and Property	\$ 150,000	\$ 1,997	\$ (148,003)
Gifts and Donations	4,840,000	1,408,068	(3,431,932)
Miscellaneous Revenue	10,000	6,545	(3,455)
Recovered Costs	-	117	117
Amounts Available for Appropriation	<u>5,000,000</u>	<u>1,416,727</u>	<u>(3,583,273)</u>
<b>Charges to Appropriations (Outflows)</b>			
Health and Welfare	<u>5,000,000</u>	<u>141,710</u>	<u>4,858,290</u>
Total Charges to Appropriations	<u>5,000,000</u>	<u>141,710</u>	<u>4,858,290</u>
<b>Excess of Resources Over</b>			
Charges to Appropriations	-	1,275,017	1,275,017
<b>Fund Balance at Beginning of Year</b>	<u>29,997,259</u>	<u>29,997,259</u>	<u>-</u>
<b>Fund Balance at End of Year</b>	<u>\$ 29,997,259</u>	<u>\$ 31,272,276</u>	<u>\$ 1,275,017</u>

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
TRANSPORTATION DISTRICT FUND  
FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Final Budgeted Amount</b>	<b>Actual Amount</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>			
General Property Taxes	\$ 6,660,000	\$ 6,913,428	\$ 253,428
Other Local Taxes	61,903,000	24,178,101	(37,724,899)
Use of Money and Property	23,000	99,854	76,854
Transfers from Other Funds	79,561,588	79,561,588	-
Amounts Available for Appropriation	<u>148,147,588</u>	<u>110,752,971</u>	<u>(37,394,617)</u>
<b>Charges to Appropriations (Outflows)</b>			
Community Development	12,796,762	1,703,911	11,092,851
Capital Outlay	60,070	-	60,070
Transfers to Other Funds	212,981,328	118,526,297	94,455,031
Total Charges to Appropriations	<u>225,838,160</u>	<u>120,230,208</u>	<u>105,607,952</u>
<b>Excess (Deficiency) of Resources Over (Under)</b>			
Charges to Appropriations	(77,690,572)	(9,477,237)	68,213,335
<b>Fund Balance at Beginning of Year</b>	40,261,633	40,261,633	-
<b>Fund Balance at End of Year</b>	<u>\$ (37,428,939)</u>	<u>\$ 30,784,396</u>	<u>\$ 68,213,335</u>



**COUNTY OF LOUDOUN, VIRGINIA**  
**BUDGETARY COMPARISON SCHEDULE**  
**URAN HOLOCAUST FUND**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
<b>Resources (Inflows)</b>			
Use of Money and Property	\$ -	\$ 661	\$ 661
Amounts Available for Appropriation	-	661	661
<b>Charges to Appropriations (Outflows)</b>			
Parks, Recreation and Culture	55,025	29,900	25,125
Total Charges to Appropriations	55,025	29,900	25,125
<b>Excess (Deficiency) of Resources Over (Under)</b>			
Charges to Appropriations	(55,025)	(29,239)	25,786
<b>Fund Balance at Beginning of Year</b>	232,161	232,161	-
<b>Fund Balance at End of Year</b>	<u>\$ 177,136</u>	<u>\$ 202,922</u>	<u>\$ 25,786</u>

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
HORTON PROGRAM FOR THE ARTS FUND  
FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Final Budgeted Amount</b>	<b>Actual Amount</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>			
Use of Money and Property	\$ -	\$ 65	\$ 65
Gifts and Donations	-	1,500	1,500
Amounts Available for Appropriation	-	1,565	1,565
<b>Charges to Appropriations (Outflows)</b>			
Parks, Recreation and Culture	1,000	750	250
Total Charges to Appropriations	1,000	750	250
<b>Excess (Deficiency) of Resources Over (Under)</b>			
Charges to Appropriations	(1,000)	815	1,815
<b>Fund Balance at Beginning of Year</b>	19,558	19,558	-
<b>Fund Balance at End of Year</b>	<u>\$ 18,558</u>	<u>\$ 20,373</u>	<u>\$ 1,815</u>

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
SYMINGTON FUND  
FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Final Budgeted Amount</b>	<b>Actual Amount</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>			
Use of Money and Property	\$ -	\$ 81,962	\$ 81,962
Amounts Available for Appropriation	-	81,962	81,962
<b>Charges to Appropriations (Outflows)</b>			
Parks, Recreation and Culture	60,000	16,227	43,773
Total Charges to Appropriations	60,000	16,227	43,773
<b>Excess (Deficiency) of Resources Over (Under)</b>			
Charges to Appropriations	(60,000)	65,735	125,735
<b>Fund Balance at Beginning of Year</b>	4,109,571	4,109,571	-
<b>Fund Balance at End of Year</b>	<u>\$ 4,049,571</u>	<u>\$ 4,175,306</u>	<u>\$ 125,735</u>

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
EMS TRANSPORT FUND  
FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Final Budgeted Amount</b>	<b>Actual Amount</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>			
Charges for Services	\$ 4,500,000	\$ 3,984,276	\$ (515,724)
Amounts Available for Appropriation	<u>4,500,000</u>	<u>3,984,276</u>	<u>(515,724)</u>
<b>Charges to Appropriations (Outflows)</b>			
Public Safety	3,607,635	1,815,350	1,792,285
Transfers to Other Funds	280,805	280,805	-
Total Charges to Appropriations	<u>3,888,440</u>	<u>2,096,155</u>	<u>1,792,285</u>
<b>Excess of Resources Over</b>			
Charges to Appropriations	611,560	1,888,121	1,276,561
<b>Fund Balance at Beginning of Year</b>	18,849	18,849	-
<b>Fund Balance at End of Year</b>	<u><u>\$ 630,409</u></u>	<u><u>\$ 1,906,970</u></u>	<u><u>\$ 1,276,561</u></u>

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
CAPITAL PROJECTS FUND  
FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Prior Years</b>	<b>Current Year</b>	<b>Total to Date</b>	<b>Budget Authorization</b>
<b>REVENUES</b>				
Other Local Taxes	\$ 4,549,863	\$ 201,109	\$ 4,750,972	\$ 3,139,479
Use of Money and Property	129,814	4,617	134,431	126,509
Charges for Services	23,765,658	-	23,765,658	19,504,089
Gifts and Donations	1,399,345	51,544	1,450,889	1,629,716
Miscellaneous	1,742,951	-	1,742,951	41,721,855
Recovered Costs	1,954,236	111,568	2,065,804	3,344,566
Intergovernmental - Commonwealth	26,922,715	8,538,638	35,461,353	116,458,179
Intergovernmental - Federal	5,785,443	5,026,893	10,812,336	26,736,871
<b>Total Revenues</b>	<b>66,250,025</b>	<b>13,934,369</b>	<b>80,184,394</b>	<b>212,661,264</b>
<b>EXPENDITURES</b>				
General Government Administration	23,686,962	2,795,069	26,482,031	65,275,017
Judicial Administration	77,024	-	77,024	77,024
Public Safety	46,841,890	419,449	47,261,339	43,099,974
Public Works	43,689,936	4,188,158	47,878,094	65,007,433
Health & Welfare	1,424,226	2,003,990	3,428,216	4,940,000
Parks, Recreation, & Cultural Development	2,400,011	2,320,051	4,720,062	19,619,600
Community Development	161,115,700	116,778,350	277,894,050	901,708,006
Education	8,149,204	170,000	8,319,204	8,319,204
Capital Outlay	307,076,176	81,395,557	388,471,733	735,928,857
<b>Total Expenditures</b>	<b>594,461,129</b>	<b>210,070,624</b>	<b>804,531,753</b>	<b>1,843,975,115</b>
<b>Deficiency of Revenues Under Expenditures</b>	<b>(528,211,104)</b>	<b>(196,136,255)</b>	<b>(724,347,359)</b>	<b>(1,631,313,851)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	819,641,816	317,351,529	1,136,993,345	1,722,086,816
Transfers Out	(51,976,458)	(22,711,337)	(74,687,795)	(74,522,406)
Bond and Lease Proceeds	11,657,596	-	11,657,596	9,157,596
Sales of Capital Assets	349,175	-	349,175	349,175
<b>Total Other Financing Sources, Net</b>	<b>779,672,129</b>	<b>294,640,192</b>	<b>1,074,312,321</b>	<b>1,657,071,181</b>
<b>Net Change in Fund Balances</b>	<b>\$ 251,461,025</b>	<b>98,503,937</b>	<b>\$ 349,964,962</b>	<b>\$ 25,757,330</b>
<b>Fund Balance at Beginning of Year</b>		<b>251,461,025</b>		
<b>Fund Balance at End of Year</b>		<b>\$ 349,964,962</b>		

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
CAPITAL ASSET PRESERVATION PROGRAM FUND  
FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Prior Years</b>	<b>Current Year</b>	<b>Total to Date</b>	<b>Budget Authorization</b>
<b>REVENUES</b>				
Other Local Taxes	\$ 1,628,800	\$ 67,064	\$ 1,695,864	\$ 1,773,243
Permits and Licenses	3,924	1,610	5,534	974
Use of Money and Property	-	-	-	29,833
Charges for Services	98	-	98	-
Recovered Costs	2,688,630	493,381	3,182,011	3,028,630
<b>Total Revenues</b>	<u>4,321,452</u>	<u>562,055</u>	<u>4,883,507</u>	<u>4,832,680</u>
<b>EXPENDITURES</b>				
General Government Administration	8,012,960	71,257	8,084,217	8,104,439
Judicial Administration	1,399,151	-	1,399,151	1,399,151
Public Safety	567,958	-	567,958	569,991
Public Works	11,072,924	3,427,301	14,500,225	16,638,679
Health & Welfare	426,545	-	426,545	426,545
Parks, Recreation, & Cultural Development	3,232,424	920,684	4,153,108	4,421,293
Community Development	525,094	-	525,094	525,094
Capital Outlay	42,608,634	1,318,878	43,927,512	46,440,215
<b>Total Expenditures</b>	<u>67,845,690</u>	<u>5,738,120</u>	<u>73,583,810</u>	<u>78,525,407</u>
<b>Deficiency of Revenues Under Expenditures</b>	<u>(63,524,238)</u>	<u>(5,176,065)</u>	<u>(68,700,303)</u>	<u>(73,692,727)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	67,595,100	6,306,000	73,901,100	73,901,100
Transfers Out	(208,373)	-	(208,373)	(208,373)
<b>Total Other Financing Sources, Net</b>	<u>67,386,727</u>	<u>6,306,000</u>	<u>73,692,727</u>	<u>73,692,727</u>
<b>Net Change in Fund Balances</b>	<u>\$ 3,862,489</u>	<u>1,129,935</u>	<u>\$ 4,992,424</u>	<u>\$ -</u>
<b>Fund Balance at Beginning of Year</b>		<u>3,862,489</u>		
<b>Fund Balance at End of Year</b>		<u>\$ 4,992,424</u>		

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
MAJOR EQUIPMENT REPLACEMENT FUND  
FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Final Budgeted Amount</b>	<b>Actual Amount</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>			
Transfers from Other Funds	\$ 4,000,000	\$ 4,000,000	\$ -
Amounts Available for Appropriation	4,000,000	4,000,000	-
<b>Charges to Appropriations (Outflows)</b>			
Judicial Administration	-	25,685	(25,685)
Capital Outlay	3,000,000	816,731	2,183,269
Total Charges to Appropriations	3,000,000	842,416	2,157,584
<b>Excess of Resources Over</b>			
Charges to Appropriations	1,000,000	3,157,584	2,157,584
<b>Fund Balance at Beginning of Year</b>	-	-	-
<b>Fund Balance at End of Year</b>	<u>\$ 1,000,000</u>	<u>\$ 3,157,584</u>	<u>\$ 2,157,584</u>

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
CAPITAL PROJECTS FINANCING FUND  
FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Final Budgeted Amount</b>	<b>Actual Amount</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>			
Issuance of Bonds	\$ 125,375,000	\$ 86,585,000	\$ (38,790,000)
Issuance of Federal Loans	-	42,396,239	42,396,239
Lease Purchase Financing	190,065,000	88,940,000	(101,125,000)
<b>Amounts Available for Appropriation</b>	<u>315,440,000</u>	<u>217,921,239</u>	<u>(97,518,761)</u>
<b>Charges to Appropriations (Outflows)</b>			
Payment to Component Unit	90,680,000	54,586,000	36,094,000
Transfers to Other Funds	224,760,000	163,335,239	61,424,761
<b>Total Charges to Appropriations</b>	<u>315,440,000</u>	<u>217,921,239</u>	<u>97,518,761</u>
<b>Excess of Resources Over</b>			
Charges to Appropriations	-	-	-
<b>Fund Balance at Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance at End of Year</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>



**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Final Budgeted Amount</b>	<b>Actual Amount</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>			
Use of Money and Property	\$ 225,000	\$ 689,592	\$ 464,592
Miscellaneous revenue	630,000	962,540	332,540
Transfers from Other Funds	178,153,957	178,151,151	(2,806)
Issuance of Bonds	-	61,405,000	61,405,000
Issuance of Capital Leases	-	22,245,000	22,245,000
Issuance Premium	16,998,013	34,120,122	17,122,109
<b>Amounts Available for Appropriation</b>	<b>196,006,970</b>	<b>297,573,405</b>	<b>101,566,435</b>
<b>Charges to Appropriations (Outflows)</b>			
Debt Service	168,089,148	158,143,041	9,946,107
Transfers to Other Funds	7,200,280	7,200,280	-
Payment to Component Unit	18,542,822	18,542,822	-
Payments to Refunded Bond Escrow Agent	12,245,000	111,258,286	(99,013,286)
<b>Total Charges to Appropriations</b>	<b>206,077,250</b>	<b>295,144,429</b>	<b>(89,067,179)</b>
<b>Excess (Deficiency) of Resources Over (Under)</b>			
Charges to Appropriations	(10,070,280)	2,428,976	12,499,256
<b>Fund Balance at Beginning of Year</b>	<b>38,100,876</b>	<b>38,100,876</b>	<b>-</b>
<b>Fund Balance at End of Year</b>	<b>\$ 28,030,596</b>	<b>\$ 40,529,852</b>	<b>\$ 12,499,256</b>



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## Proprietary Funds

Proprietary funds are used to account for operations that are financed in the manner similar to private business enterprises. The proprietary fund measurement focus is upon determination of net income, financial position and cash flows. Cash and temporary investments related to these proprietary funds are all highly liquid cash equivalents. The County's proprietary fund types consist of the Central Services Fund and the Self-insurance Fund. The operations of these funds are generally intended to be self-supporting.

**Central Services Funds** (2610-2614) - This fund is used to account for the financing of goods or services provided among County departments on a cost reimbursement basis and includes such activities as central duplicating, telephone, mail, support, and fleet management services.

**Self Insurance Fund** (2660) - This fund is used to account for the accumulation of resources to pay for losses incurred by the partial or total retention of risk of loss arising out of the assumption of risk rather than transferring that risk to a third party through the purchase of insurance and includes such retention as health insurance, workers compensation insurance and automobile physical damage insurance.

**COUNTY OF LOUDOUN, VIRGINIA**  
**COMBINING STATEMENT OF PROPRIETARY NET POSITION**  
**AS OF JUNE 30, 2016**

	Central Service Funds						
	Duplicating	Telephone	Mail	Support	Vehicle Replacement	Self Insurance	Total
<b>ASSETS</b>							
Current Assets:							
Restricted Cash and Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,205,000	\$ 1,205,000
Receivables, Net	629	13,462	-	-	288,725	133,117	435,933
Interfund Receivables	265,666	2,256,976	132,068	72,042	31,692,052	14,870,021	49,288,825
Inventory	-	-	39,030	10,243	-	-	49,273
Total Current Assets	266,295	2,270,438	171,098	82,285	31,980,777	16,208,138	50,979,031
Noncurrent Assets:							
Capital Assets:							
Depreciable, Net	-	1,067,683	11,383	-	34,299,323	-	35,378,389
Total Noncurrent Assets	-	1,067,683	11,383	-	34,299,323	-	35,378,389
Total Assets	\$ 266,295	\$ 3,338,121	\$ 182,481	\$ 82,285	\$ 66,280,100	\$ 16,208,138	\$ 86,357,420
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Pension Contributions After the Measurement Date	-	-	13,597	76,976	-	-	90,573
Total Deferred Outflows of Resources	\$ -	\$ -	\$ 13,597	\$ 76,976	\$ -	\$ -	\$ 90,573
<b>LIABILITIES</b>							
Current Liabilities:							
Accounts Payable	5,899	126,379	8,741	437	32,814	1,146,669	\$ 1,320,939
Due to Component Unit	-	-	37,217	3,092	103,207	-	143,516
Claims Liabilities	-	-	-	-	-	7,889,016	7,889,016
Accrued Liabilities	-	-	9,669	34,621	-	298,851	343,141
Total Current Liabilities	5,899	126,379	55,627	38,150	136,021	9,334,536	9,696,612
Noncurrent Liabilities:							
Claims Liabilities	-	-	-	-	-	2,651,196	2,651,196
Net Pension Liability	-	-	40,305	228,184	-	-	268,489
Total Noncurrent Liabilities	-	-	40,305	228,184	-	2,651,196	2,919,685
Total Liabilities	\$ 5,899	\$ 126,379	\$ 95,932	\$ 266,334	\$ 136,021	\$ 11,985,732	\$ 12,616,297
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred Gain on Pension Investment Earnings	-	-	10,610	60,070	-	-	70,680
Total Deferred Inflows of Resources	\$ -	\$ -	\$ 10,610	\$ 60,070	\$ -	\$ -	\$ 70,680
<b>NET POSITION</b>							
Net Investment in Capital Assets	-	1,067,683	11,383	-	34,299,323	-	\$ 35,378,389
Unrestricted	260,396	2,144,059	78,153	(167,143)	31,844,756	4,222,406	38,382,627
Total Net Position	\$ 260,396	\$ 3,211,742	\$ 89,536	\$ (167,143)	\$ 66,144,079	\$ 4,222,406	\$ 73,761,016

**COUNTY OF LOUDOUN, VIRGINIA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN PROPRIETARY NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Central Service Funds</b>						
	<b>Duplicating</b>	<b>Telephone</b>	<b>Mail</b>	<b>Support</b>	<b>Vehicle Replacement</b>	<b>Self Insurance</b>	<b>Total</b>
<b>Operating Revenues:</b>							
Charges for Services	\$ 1,146,983	\$ 1,918,908	\$ 657,940	\$ 1,411,742	\$ 8,216,913	\$ 50,214,498	\$ 63,566,984
Use of Property	15,220	67,956	1,980	-	-	-	85,156
Miscellaneous	-	-	-	-	26,187	121,122	147,309
<b>Total Operating Revenues</b>	<b>1,162,203</b>	<b>1,986,864</b>	<b>659,920</b>	<b>1,411,742</b>	<b>8,243,100</b>	<b>50,335,620</b>	<b>63,799,449</b>
<b>Operating Expenses:</b>							
Personnel Services	-	-	225,609	1,085,352	-	-	1,310,961
Other Services and Charges	1,048,411	1,310,959	119,995	281,595	106,448	3,968,874	6,836,282
Materials and Supplies	97,847	157,635	280,368	11,920	613,996	-	1,161,766
Depreciation	-	288,693	1,686	-	6,579,349	-	6,869,728
Payment to Component Unit	-	-	-	-	4,500,000	7,000,000	11,500,000
Claims	-	-	-	-	-	50,986,545	50,986,545
<b>Total Operating Expenses</b>	<b>1,146,258</b>	<b>1,757,287</b>	<b>627,658</b>	<b>1,378,867</b>	<b>11,799,793</b>	<b>61,955,419</b>	<b>78,665,282</b>
<b>Operating Income (Loss)</b>	<b>15,945</b>	<b>229,577</b>	<b>32,262</b>	<b>32,875</b>	<b>(3,556,693)</b>	<b>(11,619,799)</b>	<b>(14,865,833)</b>
<b>Non-Operating Revenues:</b>							
Gain on Sale of Capital Assets	-	-	-	-	882,460	-	882,460
<b>Total Non-Operating Revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>882,460</b>	<b>-</b>	<b>882,460</b>
<b>Net Income (Loss) Before Transfers</b>	<b>15,945</b>	<b>229,577</b>	<b>32,262</b>	<b>32,875</b>	<b>(2,674,233)</b>	<b>(11,619,799)</b>	<b>(13,983,373)</b>
Transfers In	-	-	-	-	379,776	4,129,680	4,509,456
<b>Total Transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>379,776</b>	<b>4,129,680</b>	<b>4,509,456</b>
<b>Change in Net Position (Deficit)</b>	<b>15,945</b>	<b>229,577</b>	<b>32,262</b>	<b>32,875</b>	<b>(2,294,457)</b>	<b>(7,490,119)</b>	<b>(9,473,917)</b>
<b>Net Position (Deficit) at Beginning of Year</b>	<b>244,451</b>	<b>2,982,165</b>	<b>57,274</b>	<b>(200,018)</b>	<b>68,438,536</b>	<b>11,712,525</b>	<b>83,234,933</b>
<b>Net Position (Deficit) at End of Year</b>	<b>\$ 260,396</b>	<b>\$ 3,211,742</b>	<b>\$ 89,536</b>	<b>\$ (167,143)</b>	<b>\$ 66,144,079</b>	<b>\$ 4,222,406</b>	<b>\$ 73,761,016</b>

**COUNTY OF LOUDOUN, VIRGINIA  
COMBINING STATEMENT OF CASH FLOWS  
PROPRIETARY - INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016**

	Central Service Funds						Total
	Duplicating	Telephone	Mail	Support	Vehicle Replacement	Self Insurance	
<b>Cash Flows from Operating Activities:</b>							
Receipts from Customers	\$ 1,162,826	\$ 1,987,264	\$ 659,920	\$ 1,411,742	\$ 8,173,199	\$ 50,396,191	\$ 63,791,142
Payments to Suppliers for Goods and Services	(1,210,965)	(1,354,754)	(373,634)	(293,486)	(839,668)	(3,248,149)	(7,320,656)
Payments for Interfund Services	48,139	(225,177)	(62,207)	(42,474)	1,922,206	6,447,272	8,087,759
Claims Paid	-	-	-	-	-	(50,434,550)	(50,434,550)
Payments to Component Unit	-	-	-	-	(4,500,000)	(7,000,000)	(11,500,000)
Payments to Employees	-	-	(224,079)	(1,075,782)	-	(272,444)	(1,572,305)
<b>Net Cash Provided By (Used in) Operating Activities</b>	-	407,333	-	-	4,755,737	(4,111,680)	1,051,390
<b>Cash Flows from Non-capital Financing Activities:</b>							
Transfers In	-	-	-	-	379,776	4,129,680	4,509,456
<b>Net Cash Provided by Non-capital Financing Activities</b>	-	-	-	-	379,776	4,129,680	4,509,456
<b>Cash Flows from Capital and Related Financing Activities:</b>							
Additions to Capital Assets	-	(407,333)	-	-	(6,154,395)	-	(6,561,728)
Proceeds from Sale of Capital Assets	-	-	-	-	1,018,882	-	1,018,882
<b>Net Cash Used in Capital and Related Financing Activities</b>	-	(407,333)	-	-	(5,135,513)	-	(5,542,846)
<b>Net Increase in Cash and Cash Equivalents</b>	-	-	-	-	-	18,000	18,000
<b>Cash and Cash Equivalents at Beginning of Year</b>	-	-	-	-	-	1,187,000	1,187,000
<b>Cash and Cash Equivalents at End of Year</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,205,000	\$ 1,205,000

**Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities:**

<b>Operating Income (Loss)</b>	\$ 15,945	\$ 229,577	\$ 32,262	\$ 32,875	\$ (3,556,693)	\$ (11,619,799)	\$ (14,865,833)
<b>Adjustment Not Affecting Cash:</b>							
Depreciation	-	288,693	1,686	-	6,579,349	-	6,869,728
<b>(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:</b>							
Receivables, Net	623	400	-	-	(69,901)	60,571	(8,307)
Interfund Services	48,139	(225,177)	(62,207)	(42,474)	1,922,206	6,447,272	8,087,759
Inventory	-	-	51,863	-	-	-	51,863
Prepaid Items	-	-	-	-	-	6,678	6,678
Deferred Pension Expense	-	-	(414)	(8,184)	-	-	(8,598)
Accounts Payable	(64,707)	113,840	347	(1,556)	(133,440)	714,047	628,531
Due to Component Unit	-	-	10,572	970	14,216	-	25,758
Claims Liabilities	-	-	-	-	-	551,995	551,995
Accrued Liabilities	-	-	1,530	9,570	-	(272,444)	(261,344)
Net Pension Obligation	-	-	(13,330)	55,015	-	-	41,685
Deferred Gain on Pension Investments	-	-	(22,309)	(46,216)	-	-	(68,525)
<b>Total Adjustments</b>	(15,945)	177,756	(32,262)	(32,875)	8,312,430	7,508,119	15,917,223
<b>Net Cash Provided By (Used in) Operating Activities</b>	\$ -	\$ 407,333	\$ -	\$ -	\$ 4,755,737	\$ (4,111,680)	\$ 1,051,390
<b>Non-Cash Capital Related Financing Activities:</b>							
Gain on Sale of Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ 882,460	\$ -	\$ 882,460

## Agency Funds

Agency Funds are used to account for the assets received and disbursed by the County government acting as an agent for individuals, private organizations, other governments and/or other funds.

**Special Welfare Trust Fund** (3741) - This fund is used to account for monies provided through the State and from private donors for regular assistance payments to recipients in the Aid to Dependent Children Program.

**Performance Bonds Fund** (3742) - This fund is used to account for monies received from and returned to individuals and businesses who are required to have a performance bond for development. The County acts as an agent to hold the monies until performance is rendered.

**Employee Benefits Distribution Fund** (3743) - This fund is used to account for employee withholdings, employer contributions, and payments made for employee benefits.

**Adult Detention Center (ADC) Inmate Trust Fund** (3744) - This fund is used to account for monies held by inmates of the County's ADC at the time of incarceration.

**COUNTY OF LOUDOUN, VIRGINIA**  
**COMBINING STATEMENT OF ASSETS AND LIABILITIES - AGENCY FUNDS**  
**AS OF JUNE 30, 2016**

	<b>Special Welfare</b>	<b>Performance Bonds</b>	<b>Employee Benefits Distribution</b>	<b>ADC Inmate</b>	<b>Total</b>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 197,199	\$ 11,566,025	\$ 3,150,800	\$ 473,795	\$ 15,387,819
Cash with Fiscal Agents	-	-	60,000	-	60,000
Accounts Receivable	1,500	-	-	-	1,500
<b>Total Assets</b>	<b>\$ 198,699</b>	<b>\$ 11,566,025</b>	<b>\$ 3,210,800</b>	<b>\$ 473,795</b>	<b>\$ 15,449,319</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ 2,157	\$ -	\$ 2,813,439	\$ -	\$ 2,815,596
Other Liabilities	-	-	397,361	-	397,361
Funds Held in Trust for Others	196,542	11,566,025	-	473,795	12,236,362
<b>Total Liabilities</b>	<b>\$ 198,699</b>	<b>\$ 11,566,025</b>	<b>\$ 3,210,800</b>	<b>\$ 473,795</b>	<b>\$ 15,449,319</b>



**COUNTY OF LOUDOUN, VIRGINIA**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016
<b><u>Special Welfare Fund</u></b>				
Assets:				
Cash and Cash Equivalents	\$ 174,152	\$ 86,115	\$ 63,068	\$ 197,199
Accounts Receivable	-	15,458	13,958	1,500
<b>Total Assets</b>	<b>\$ 174,152</b>	<b>\$ 101,573</b>	<b>\$ 77,026</b>	<b>\$ 198,699</b>
Liabilities:				
Accounts Payable	\$ 19,138	\$ 2,157	\$ 19,138	\$ 2,157
Funds Held in Trust for Others	155,014	85,458	43,930	196,542
<b>Total Liabilities</b>	<b>\$ 174,152</b>	<b>\$ 87,615</b>	<b>\$ 63,068</b>	<b>\$ 198,699</b>
 <b><u>Performance Bond Fund</u></b>				
Assets:				
Cash and Cash Equivalents	\$ 11,607,637	\$ 3,015,027	\$ 3,056,639	\$ 11,566,025
Accounts Receivable	21,500	2,805,491	2,826,991	-
<b>Total Assets</b>	<b>\$ 11,629,137</b>	<b>\$ 5,820,518</b>	<b>\$ 5,883,630</b>	<b>\$ 11,566,025</b>
Liabilities:				
Accounts Payable	\$ 112,692	-	\$ 112,692	-
Funds Held in Trust for Others	11,516,445	3,100,309	3,050,729	11,566,025
<b>Total Liabilities</b>	<b>\$ 11,629,137</b>	<b>\$ 3,100,309</b>	<b>\$ 3,163,421</b>	<b>\$ 11,566,025</b>
 <b><u>Employee Benefits Distribution Fund</u></b>				
Assets:				
Cash and Cash Equivalents	\$ 2,952,438	\$ 2,350,362	\$ 2,152,000	\$ 3,150,800
Cash with Fiscal Agents	60,000	-	-	60,000
<b>Total Assets</b>	<b>\$ 3,012,438</b>	<b>\$ 2,350,362</b>	<b>\$ 2,152,000</b>	<b>\$ 3,210,800</b>
Liabilities:				
Accounts Payable	\$ 3,012,438	\$ 119,896,124	\$ 119,697,762	\$ 3,210,800
<b>Total Liabilities</b>	<b>\$ 3,012,438</b>	<b>\$ 119,896,124</b>	<b>\$ 119,697,762</b>	<b>\$ 3,210,800</b>
 <b><u>Adult Detention Center (ADC) Inmate Fund</u></b>				
Assets:				
Cash and Cash Equivalents	\$ 371,053	\$ 2,237,699	\$ 2,134,957	\$ 473,795
<b>Total Assets</b>	<b>\$ 371,053</b>	<b>\$ 2,237,699</b>	<b>\$ 2,134,957</b>	<b>\$ 473,795</b>
Liabilities:				
Funds Held in Trust for Others	\$ 371,053	\$ 2,237,699	\$ 2,134,957	\$ 473,795
<b>Total Liabilities</b>	<b>\$ 371,053</b>	<b>\$ 2,237,699</b>	<b>\$ 2,134,957</b>	<b>\$ 473,795</b>
 <b><u>Totals - All Agency Funds</u></b>				
Assets:				
Cash and Cash Equivalents	\$ 15,105,280	\$ 7,689,203	\$ 7,406,664	\$ 15,387,819
Cash with Fiscal Agents	60,000	-	-	60,000
Accounts Receivable	21,500	2,820,949	2,840,949	1,500
<b>Total Assets</b>	<b>\$ 15,186,780</b>	<b>\$ 10,510,152</b>	<b>\$ 10,247,613</b>	<b>\$ 15,449,319</b>
Liabilities:				
Accounts Payable	\$ 3,144,268	\$ 119,898,281	\$ 119,829,592	\$ 3,212,957
Funds Held in Trust for Others	12,042,512	5,423,466	5,229,616	12,236,362
<b>Total Liabilities</b>	<b>\$ 15,186,780</b>	<b>\$ 125,321,747</b>	<b>\$ 125,059,208</b>	<b>\$ 15,449,319</b>



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## Component Unit - School Board Funds

**General Fund** - This fund is used to account for the general operations of the County's school system. Financing is provided primarily by transfers from the primary government and State and Federal grants to be used for education purposes only.

**Capital Improvements Fund** - This fund is used to account for the purchase and/or construction of major capital facilities, including buildings, land, major equipment and other long-lived improvements for the school system. Financing is provided primarily by bond issues, State and Federal grants, and transfers from the primary government.

**Special Revenue Funds** - This fund is used to account for the general operations of the County's school system. Financing is provided primarily from cafeteria sales and the State and Federal grants to be used for education purposes only.

**Capital Asset Preservation Fund** - This fund is used to account for the repair and/or replacement of major capital facilities, including buildings, major equipment, and other long-lived improvements for the school system. Financing is provided primarily by transfers from the primary government.

**Debt Service Fund** - This fund is used to account for the accumulation of resources for, and the payment of general long-term debt principal, interest and related costs of the school system. Financing is provided primarily by transfers from the primary government.

**Peabody Trust Fund** - This fund is used to account for monies provided through a private donor, the corpus of which is non-expendable. The interest earned on fund assets may be used only for school expenses.

**Proprietary Fund** - This fund is used to account for operations that are financed in the manner similar to private business enterprises. The proprietary fund measurement focus is upon determination of net income, financial position and cash flows. Cash and temporary investments related to these proprietary funds are all highly liquid cash equivalents. The proprietary fund types consist of the Central Services Fund and the Self-insurance Fund. The operations of these funds are generally intended to be self-supporting.

**OPEB Trust Fund** - This fund is used to account for the assets held in trust by the County's school system for other post employment benefits.

**COUNTY OF LOUDOUN, VIRGINIA  
COMBINING BALANCE SHEET  
GOVERNMENTAL FUNDS  
COMPONENT UNIT - SCHOOL BOARD  
AS OF JUNE 30, 2016**

	General	Capital Improvements	Special Revenue	Capital Asset Replacement	Debt Service	Permanent Peabody	Total School Board
<b>ASSETS</b>							
Cash and Cash Equivalents	\$ 200	\$ -	\$ 100	\$ -	\$ -	\$ -	\$ 300
Restricted Cash and Investments	-	-	6,247,473	-	-	-	6,247,473
Receivables, Net:							
Accounts	1,705,117	250,000	1,505,421	-	-	-	3,460,538
Due from Primary Government	240,755,250	-	-	-	-	-	240,755,250
Due from Other Governments	14,136,811	-	4,150,310	-	-	-	18,287,121
Interfund Receivables	-	103,554,150	7,925,224	6,737,043	2,396,901	28,320	120,641,638
Inventory of Supplies	-	-	330,618	-	-	-	330,618
Prepaid Items	154,865	-	-	-	-	-	154,865
Deposits	-	50,000	-	-	-	-	50,000
<b>Total Assets</b>	<b>\$ 256,752,243</b>	<b>\$ 103,854,150</b>	<b>\$ 20,159,146</b>	<b>\$ 6,737,043</b>	<b>\$ 2,396,901</b>	<b>\$ 28,320</b>	<b>\$ 389,927,803</b>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts Payable	\$ 5,530,671	\$ 7,934,415	\$ 1,389,004	\$ 1,039,820	\$ -	\$ -	\$ 15,893,910
Retainage Payable	-	5,520,541	-	-	-	-	5,520,541
Accrued Liabilities	63,251,100	18,364,413	4,542,850	95	-	-	86,158,458
Interfund Payables	153,811,984	-	968,478	-	-	-	154,780,462
Due to Agency Fund	11,954,707	-	-	-	-	-	11,954,707
Due to Component Unit	54,353	-	-	-	-	-	54,353
Other Liabilities	69,675	-	-	-	-	-	69,675
Unearned Revenue	-	-	3,584,927	-	-	-	3,584,927
<b>Total Liabilities</b>	<b>234,672,490</b>	<b>31,819,369</b>	<b>10,485,259</b>	<b>1,039,915</b>	<b>-</b>	<b>-</b>	<b>278,017,033</b>
Fund Balances:							
Non-spendable:							
Inventories	-	-	330,618	-	-	-	330,618
Advances and Prepaid Items	154,865	50,000	-	-	-	-	204,865
Permanent Fund-Nonexpendable	-	-	-	-	-	28,320	28,320
Restricted for:							
Legal Agreement	-	-	3,353,080	-	-	-	3,353,080
Committed to:							
Subsequent Year Appropriations	-	-	-	-	2,396,901	-	2,396,901
Capital Improvements	-	71,984,781	-	-	-	-	71,984,781
Capital Asset Preservation	-	-	-	5,697,128	-	-	5,697,128
Assigned to:							
Contractual Obligations	14,924,835	-	-	-	-	-	14,924,835
Subsequent Year Appropriations	7,000,000	-	-	-	-	-	7,000,000
School Nutrition Services Fund	-	-	5,990,189	-	-	-	5,990,189
Unassigned	53	-	-	-	-	-	53
<b>Total Fund Balances</b>	<b>22,079,753</b>	<b>72,034,781</b>	<b>9,673,887</b>	<b>5,697,128</b>	<b>2,396,901</b>	<b>28,320</b>	<b>111,910,770</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 256,752,243</b>	<b>\$ 103,854,150</b>	<b>\$ 20,159,146</b>	<b>\$ 6,737,043</b>	<b>\$ 2,396,901</b>	<b>\$ 28,320</b>	<b>\$ 389,927,803</b>

**COUNTY OF LOUDOUN, VIRGINIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**COMPONENT UNIT - SCHOOL BOARD**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<u>General</u>	<u>Capital Improvements</u>	<u>Special Revenue</u>	<u>Capital Asset Replacement</u>	<u>Debt Service</u>	<u>Permanent Peabody</u>	<u>Total School Board</u>
<b>REVENUES</b>							
Use of Money and Property	\$ 1,958,475	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,958,475
Charges for Services	2,728,799	-	16,523,393	-	-	-	19,252,192
Miscellaneous	2,797,434	100,000	1,608,829	-	-	-	4,506,263
Recovered Costs	2,363,494	-	-	-	-	-	2,363,494
Intergovernmental - Commonwealth	290,786,548	-	3,970,418	-	-	-	294,756,966
Intergovernmental - Federal	225,367	-	21,945,913	-	-	-	22,171,280
Payments from Primary Government	670,054,107	98,459,042	-	7,681,000	9,497,822	-	785,691,971
<b>Total Revenues</b>	<u>970,914,224</u>	<u>98,559,042</u>	<u>44,048,553</u>	<u>7,681,000</u>	<u>9,497,822</u>	<u>-</u>	<u>1,130,700,641</u>
<b>EXPENDITURES</b>							
Current Operating:							
Instruction	743,190,310	-	18,177,526	-	-	1,086	761,368,922
Support Services	167,734,810	5,567	25,005,340	6,658,532	-	-	199,404,249
Technology	24,612,408	-	4,927,073	-	-	-	29,539,481
Capital Outlay	5,586,087	95,698,816	1,269,614	909,482	-	-	103,463,999
Debt service:							
Principal Payments	-	-	-	-	9,214,448	-	9,214,448
Interest and Service Charges	-	-	-	-	275,601	-	275,601
<b>Total Expenditures</b>	<u>941,123,615</u>	<u>95,704,383</u>	<u>49,379,553</u>	<u>7,568,014</u>	<u>9,490,049</u>	<u>1,086</u>	<u>1,103,266,700</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>29,790,609</u>	<u>2,854,659</u>	<u>(5,331,000)</u>	<u>112,986</u>	<u>7,773</u>	<u>(1,086)</u>	<u>27,433,941</u>
<b>OTHER FINANCING SOURCES</b>							
Lease/Purchase Financing	-	-	10,000,000	-	-	-	10,000,000
Transfers out	(23,268,000)	-	-	-	-	-	(23,268,000)
<b>Total Other Financing Sources</b>	<u>(23,268,000)</u>	<u>-</u>	<u>10,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,268,000)</u>
<b>Net Change in Fund Balances</b>	6,522,609	2,854,659	4,669,000	112,986	7,773	(1,086)	14,165,941
<b>Fund Balances at Beginning of Year</b>	15,557,144	69,180,122	5,004,887	5,584,142	2,389,128	29,406	97,744,829
<b>Fund Balances at End of Year</b>	<u>\$ 22,079,753</u>	<u>\$ 72,034,781</u>	<u>\$ 9,673,887</u>	<u>\$ 5,697,128</u>	<u>\$ 2,396,901</u>	<u>\$ 28,320</u>	<u>\$ 111,910,770</u>

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE OF  
SCHOOL GENERAL FUND  
COMPONENT UNIT - SCHOOL BOARD  
FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>				
Use of Money and Property	\$ 2,491,934	\$ 2,491,934	\$ 1,958,475	\$ (533,459)
Charges for Services	3,272,000	3,272,000	2,728,799	(543,201)
Miscellaneous	2,058,100	2,058,100	2,797,434	739,334
Recovered Costs	3,200,000	3,200,000	2,363,494	(836,506)
Intergovernmental - Commonwealth	287,053,966	287,053,966	290,786,548	3,732,582
Intergovernmental - Federal	87,807	87,807	225,367	137,560
Payment from Primary Government	657,790,875	669,290,875	670,054,107	763,232
<b>Amounts Available for Appropriation</b>	<u>955,954,682</u>	<u>967,454,682</u>	<u>970,914,224</u>	<u>3,459,542</u>
<b>Charges to Appropriations (Outflows)</b>				
Education	960,954,682	975,022,247	941,123,615	33,898,632
Transfers to Other Funds	-	7,000,000	23,268,000	(16,268,000)
<b>Total Charges to Appropriations</b>	<u>960,954,682</u>	<u>982,022,247</u>	<u>964,391,615</u>	<u>17,630,632</u>
<b>Excess (Deficiency) of Resources Over (Under)</b>				
Charges to Appropriations	(5,000,000)	(14,567,565)	6,522,609	21,090,174
<b>Fund Balance at Beginning of Year</b>	<u>15,557,144</u>	<u>15,557,144</u>	<u>15,557,144</u>	<u>-</u>
<b>Fund Balance at End of Year</b>	<u>\$ 10,557,144</u>	<u>\$ 989,579</u>	<u>\$ 22,079,753</u>	<u>\$ 21,090,174</u>

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE OF  
SCHOOL NUTRITION SERVICES FUND  
COMPONENT UNIT - SCHOOL BOARD  
FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>				
Charges for Services	\$ 19,310,373	\$ 19,310,373	\$ 16,454,344	\$ (2,856,029)
Intergovernmental - Commonwealth	426,000	426,000	322,645	(103,355)
Intergovernmental - Federal	8,027,560	8,027,560	8,808,158	780,598
<b>Amounts Available for Appropriation</b>	<u>27,763,933</u>	<u>27,763,933</u>	<u>25,585,147</u>	<u>(2,178,786)</u>
<b>Charges to Appropriations (Outflows)</b>				
Education	27,763,933	27,763,933	24,010,019	3,753,914
<b>Total Charges to Appropriations</b>	<u>27,763,933</u>	<u>27,763,933</u>	<u>24,010,019</u>	<u>3,753,914</u>
<b>Excess of Resources Over</b>				
Charges to Appropriations	-	-	1,575,128	1,575,128
<b>Fund Balance at Beginning of Year</b>	<u>4,745,679</u>	<u>4,745,679</u>	<u>4,745,679</u>	<u>-</u>
<b>Fund Balance at End of Year</b>	<u>\$ 4,745,679</u>	<u>\$ 4,745,679</u>	<u>\$ 6,320,807</u>	<u>\$ 1,575,128</u>

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE OF  
SCHOOL GRANT FUND  
COMPONENT UNIT - SCHOOL BOARD  
FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>				
Charges for Services	\$ 50,000	\$ 54,909	\$ 69,049	\$ 14,140
Miscellaneous	1,868,066	2,521,840	1,608,019	(913,821)
Intergovernmental - Commonwealth	5,102,104	8,253,704	3,647,773	(4,605,931)
Intergovernmental - Federal	13,769,875	17,966,572	13,137,755	(4,828,817)
<b>Amounts Available for Appropriation</b>	<u>20,790,045</u>	<u>28,797,025</u>	<u>18,462,596</u>	<u>(10,334,429)</u>
<b>Charges to Appropriations (Outflows)</b>				
Education	20,790,045	28,797,025	18,242,066	10,554,959
<b>Total Charges to Appropriations</b>	<u>20,790,045</u>	<u>28,797,025</u>	<u>18,242,066</u>	<u>10,554,959</u>
<b>Excess of Resources Over</b>				
Charges to Appropriations	-	-	220,530	220,530
<b>Fund Balance at Beginning of Year</b>	<u>(170,014)</u>	<u>(170,014)</u>	<u>(170,014)</u>	<u>-</u>
<b>Fund Balance at End of Year</b>	<u>\$ (170,014)</u>	<u>\$ (170,014)</u>	<u>\$ 50,516</u>	<u>\$ 220,530</u>



**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE OF  
SCHOOL LEASE FUND  
COMPONENT UNIT - SCHOOL BOARD  
FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>				
Miscellaneous	\$ -	\$ -	\$ 810	\$ 810
Lease/Purchase Financing	10,000,000	10,428,424	10,000,000	(428,424)
<b>Amounts Available for Appropriation</b>	<u>10,000,000</u>	<u>10,428,424</u>	<u>10,000,810</u>	<u>(427,614)</u>
<b>Charges to Appropriations (Outflows)</b>				
Education	10,000,000	10,428,424	7,127,468	3,300,956
<b>Total Charges to Appropriations</b>	<u>10,000,000</u>	<u>10,428,424</u>	<u>7,127,468</u>	<u>3,300,956</u>
<b>Excess of Resources Over</b>				
Charges to Appropriations	-	-	2,873,342	2,873,342
<b>Fund Balance at Beginning of Year</b>	<u>429,222</u>	<u>429,222</u>	<u>429,222</u>	<u>-</u>
<b>Fund Balance at End of Year</b>	<u>\$ 429,222</u>	<u>\$ 429,222</u>	<u>\$ 3,302,564</u>	<u>\$ 2,873,342</u>

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE OF  
SCHOOL CAPITAL IMPROVEMENTS FUND  
COMPONENT UNIT - SCHOOL BOARD  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Budget Authorization</u>
<b>REVENUES</b>				
Payment from Primary Government	\$ 751,515,078	\$ 98,459,042	\$ 849,974,120	\$ 988,253,991
Miscellaneous	350,000	100,000	450,000	350,000
<b>Total Revenues</b>	<u>751,865,078</u>	<u>98,559,042</u>	<u>850,424,120</u>	<u>988,603,991</u>
<b>EXPENDITURES</b>				
Education	759,641	5,567	765,208	961,000
Capital Outlay	681,869,956	95,698,816	777,568,772	987,642,991
<b>Total Expenditures</b>	<u>682,629,597</u>	<u>95,704,383</u>	<u>778,333,980</u>	<u>988,603,991</u>
<b>Excess of Revenues Over Expenditures</b>	<u>69,235,481</u>	<u>2,854,659</u>	<u>72,090,140</u>	<u>-</u>
<b>OTHER FINANCING USES</b>				
Transfers Out	(55,359)	-	(55,359)	-
<b>Total Other Financing Uses</b>	<u>(55,359)</u>	<u>-</u>	<u>(55,359)</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>\$ 69,180,122</u>	<u>\$ 2,854,659</u>	<u>\$ 72,034,781</u>	<u>\$ -</u>
<b>Fund Balance at Beginning of Year</b>		69,180,122		
<b>Fund Balance at End of Year</b>		<u>\$ 72,034,781</u>		

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE OF  
SCHOOL CAPITAL ASSET PRESERVATION FUND  
COMPONENT UNIT - SCHOOL BOARD  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Budget Authorization</u>
<b>REVENUES</b>				
Payment from Primary Government	\$ 5,685,815	\$ 7,681,000	\$ 13,366,815	\$ 13,366,815
<b>Total Revenues</b>	<u>5,685,815</u>	<u>7,681,000</u>	<u>13,366,815</u>	<u>13,366,815</u>
<b>EXPENDITURES</b>				
Education	101,673	6,658,532	6,760,205	13,041,786
Capital Outlay	-	909,482	909,482	325,029
<b>Total Expenditures</b>	<u>101,673</u>	<u>7,568,014</u>	<u>7,669,687</u>	<u>13,366,815</u>
<b>Excess of Revenues Over Expenditures</b>	<u>5,584,142</u>	<u>112,986</u>	<u>5,697,128</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>\$ 5,584,142</u>	<u>\$ 112,986</u>	<u>\$ 5,697,128</u>	<u>\$ -</u>
<b>Fund Balance at Beginning of Year</b>		5,584,142		
<b>Fund Balance at End of Year</b>		<u>\$ 5,697,128</u>		

**COUNTY OF LOUDOUN, VIRGINIA**  
**BUDGETARY COMPARISON SCHEDULE OF**  
**SCHOOL DEBT SERVICE FUND**  
**COMPONENT UNIT - SCHOOL BOARD**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>				
Payment from Primary Government	\$ 9,497,822	\$ 9,497,822	\$ 9,497,822	\$ -
<b>Amounts Available for Appropriation</b>	<u>9,497,822</u>	<u>9,497,822</u>	<u>9,497,822</u>	<u>-</u>
<b>Charges to Appropriations (Outflows)</b>				
Debt Service	9,497,822	9,497,822	9,490,049	7,773
<b>Total Charges to Appropriations</b>	<u>9,497,822</u>	<u>9,497,822</u>	<u>9,490,049</u>	<u>7,773</u>
<b>Excess of Resources Over Charges to Appropriations</b>	-	-	7,773	7,773
<b>Fund Balance at Beginning of Year</b>	2,389,128	2,389,128	2,389,128	-
<b>Fund Balance at End of Year</b>	<u>\$ 2,389,128</u>	<u>\$ 2,389,128</u>	<u>\$ 2,396,901</u>	<u>\$ 7,773</u>

**COUNTY OF LOUDOUN, VIRGINIA  
COMBINING STATEMENT OF PROPRIETARY NET POSITION  
INTERNAL SERVICE FUNDS  
COMPONENT UNIT - SCHOOL BOARD  
AS OF JUNE 30, 2016**

	<b>Central Service Fund</b>	<b>Self Insurance Fund</b>	<b>Total</b>
<b>ASSETS</b>			
Current Assets:			
Deposits	\$ -	\$ 2,719,000	\$ 2,719,000
Receivables, Net	9,889	398,491	408,380
Interfund Receivables	-	35,495,159	35,495,159
Inventory of Supplies	706,274	-	706,274
Total Current Assets	<u>716,163</u>	<u>38,612,650</u>	<u>39,328,813</u>
Noncurrent Assets:			
Capital Assets:			
Depreciable, Net	3,857,317	-	3,857,317
Total Noncurrent Assets	<u>3,857,317</u>	<u>-</u>	<u>3,857,317</u>
<b>Total Assets</b>	<u>\$ 4,573,480</u>	<u>\$ 38,612,650</u>	<u>\$ 43,186,130</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension Contributions after the Measurement Date	<u>\$ 598,834</u>	<u>\$ -</u>	<u>\$ 598,834</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	\$ 164,001	\$ 26,679	\$ 190,680
Accrued Liabilities	-	672,962	672,962
Interfund Payables	1,356,335	-	1,356,335
Claims Liabilities	-	13,639,241	13,639,241
Total Current Liabilities	<u>1,520,336</u>	<u>14,338,882</u>	<u>15,859,218</u>
Noncurrent Liabilities:			
Claims Liabilities	-	449,089	449,089
Net Pension Liability	719,507	-	719,507
Total Noncurrent Liabilities	<u>719,507</u>	<u>449,089</u>	<u>1,168,596</u>
<b>Total Liabilities</b>	<u>\$ 2,239,843</u>	<u>\$ 14,787,971</u>	<u>\$ 17,027,814</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Gain on Pension Investment Earnings	<u>\$ 679,719</u>	<u>\$ -</u>	<u>\$ 679,719</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	\$ 3,857,317	\$ -	\$ 3,857,317
Unrestricted	(1,604,565)	23,824,679	22,220,114
<b>Total Net Position</b>	<u>\$ 2,252,752</u>	<u>\$ 23,824,679</u>	<u>\$ 26,077,431</u>

**COUNTY OF LOUDOUN, VIRGINIA**  
**COMBINING STATEMENT OF CHANGES IN PROPRIETARY NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**COMPONENT UNIT - SCHOOL BOARD**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Central Service Fund</b>	<b>Self Insurance Fund</b>	<b>Total</b>
<b>Operating Revenues:</b>			
Charges for Services	\$ 15,172,852	\$ 166,068,140	\$ 181,240,992
Use of Property	41,170	-	41,170
<b>Total Operating Revenues</b>	<u>15,214,022</u>	<u>166,068,140</u>	<u>181,282,162</u>
<b>Operating Expenses:</b>			
Personnel Services	5,212,388	1,839,913	7,052,301
Other Services and Charges	2,575,678	9,772,205	12,347,883
Materials and Supplies	7,837,618	72,916	7,910,534
Depreciation	441,309	-	441,309
Claims	-	136,268,226	136,268,226
<b>Total Operating Expenses</b>	<u>16,066,993</u>	<u>147,953,260</u>	<u>164,020,253</u>
<b>Operating Income (Loss) Before Transfers and Contributions</b>	<u>(852,971)</u>	<u>18,114,880</u>	<u>17,261,909</u>
Transfers In	-	23,268,000	23,268,000
Capital Contributions	1,437,486	-	1,437,486
<b>Total Transfers</b>	<u>1,437,486</u>	<u>23,268,000</u>	<u>24,705,486</u>
<b>Change in Net Position</b>	584,515	41,382,880	41,967,395
<b>Net Position at Beginning of Year</b>	1,668,237	(17,558,201)	(15,889,964)
<b>Net Position at End of Year</b>	<u>\$ 2,252,752</u>	<u>\$ 23,824,679</u>	<u>\$ 26,077,431</u>

COUNTY OF LOUDOUN, VIRGINIA  
 COMBINING STATEMENT OF PROPRIETARY CASH FLOWS  
 INTERNAL SERVICE FUNDS  
 COMPONENT UNIT - SCHOOL BOARD  
 FOR THE YEAR ENDED JUNE 30, 2016

	Central Service Fund	Self Insurance Fund	Total
<b>Cash Flows from Operating Activities:</b>			
Receipts from Customers	\$ 15,204,133	\$ 167,317,912	\$ 182,522,045
Payments to Suppliers for Goods and Services	(10,827,518)	(10,753,631)	(21,581,149)
Receipts for Interfund Services	1,013,722	(4,811,934)	(3,798,212)
Claims Paid	-	(137,685,275)	(137,685,275)
Payments to Employees	(5,390,337)	(1,839,913)	(7,230,250)
Payments to Interfund Services	-	(35,495,159)	(35,495,159)
<b>Net Cash Used in Operating Activities</b>	<u>-</u>	<u>(23,268,000)</u>	<u>(23,268,000)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>			
Transfers In	-	23,268,000	23,268,000
<b>Net Cash Provided by Noncapital Financing Activities</b>	<u>-</u>	<u>23,268,000</u>	<u>23,268,000</u>
<b>Net Decrease in Cash and Cash Equivalents</b>	-	-	-
Cash and Cash Equivalents at Beginning of Year	-	-	-
<b>Cash and Cash Equivalents at End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Used in Operating Activities:</b>			
<b>Net Operating Gain(Loss)</b>	<u>\$ (852,971)</u>	<u>\$ 18,114,880</u>	<u>\$ 17,261,909</u>
<b>Adjustment Not Affecting Cash:</b>			
Depreciation	441,309	-	441,309
<b>(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:</b>			
Receivable, Net	(9,889)	1,249,772	1,239,883
Interfund Receivables	-	(35,495,159)	(35,495,159)
Inventory	(27,799)	-	(27,799)
Accounts Payable	(386,423)	(1,290,159)	(1,676,582)
Interfund Payables	1,013,722	(4,811,934)	(3,798,212)
Claims Liabilities	-	(1,417,049)	(1,417,049)
Net Pension Liability	(177,949)	-	(177,949)
Accrued Liabilities	-	381,649	381,649
<b>Total Adjustments</b>	<u>852,971</u>	<u>(41,382,880)</u>	<u>(40,529,909)</u>
<b>Net Cash Used in Operating Activities</b>	<u>\$ -</u>	<u>\$ (23,268,000)</u>	<u>\$ (23,268,000)</u>
<b>Noncash Investing, Capital, and Financing Activities</b>			
Contributions of capital assets from government	\$ 1,437,486	-	\$ 1,437,486

**COUNTY OF LOUDOUN, VIRGINIA**  
**STATEMENT OF OPEB TRUST NET POSITION**  
**COMPONENT UNIT - SCHOOL BOARD**  
**AS OF JUNE 30, 2016**

	<b>Other Postemployment Benefits Trust Fund</b>
<b>ASSETS</b>	
Investments in Pooled Funds	\$ 118,843,399
<b>Total Investments</b>	<u>118,843,399</u>
<b>Total Assets</b>	<u><u>118,843,399</u></u>
<b>LIABILITIES</b>	
Accounts Payable	-
<b>Total Liabilities</b>	<u>-</u>
<b>NET POSITION</b>	
Held in Trust for Other Postemployment Benefits	<u><u>\$ 118,843,399</u></u>



COUNTY OF LOUDOUN, VIRGINIA  
STATEMENT OF CHANGES IN OPEB TRUST NET POSITION  
COMPONENT UNIT - SCHOOL BOARD  
FOR THE YEAR ENDED JUNE 30, 2016

	<b>Other Postemployment Benefits Trust Fund</b>
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 24,247,438
<b>Total Contributions</b>	<u>24,247,438</u>
Investment Earnings:	
Net Appreciation in Fair Value of Investments	2,200,473
Interest	11,654
<b>Total Investment Earnings</b>	<u>2,212,127</u>
Less Investment Expense:	
Investment Management Fees	(74,178)
<b>Net Investment Income</b>	<u>2,137,949</u>
<b>Total Additions</b>	<u>26,385,387</u>
<b>DEDUCTIONS</b>	
Benefits	11,690,176
Administrative Expense	557,262
<b>Total Deductions</b>	<u>12,247,438</u>
<b>Change in Net Position</b>	14,137,949
<b>Net Position at Beginning of Year</b>	104,705,450
<b>Net Position at End of Year</b>	<u>\$ 118,843,399</u>

**COUNTY OF LOUDOUN, VIRGINIA**  
**COMBINING STATEMENT OF ASSETS AND LIABILITIES - AGENCY FUNDS**  
**COMPONENT UNIT - SCHOOL BOARD**  
**AS OF JUNE 30, 2016**

	<b>Payroll Liabilities Distribution Fund</b>	<b>Student Activity Fund</b>	<b>Total Agency Funds</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ -	\$ 7,113,401	\$ 7,113,401
Accounts Receivable, net	1,391	-	1,391
Due from General Fund	11,954,707	-	11,954,707
<b>Total Assets</b>	<u>\$ 11,956,098</u>	<u>\$ 7,113,401</u>	<u>\$ 19,069,499</u>
<b>LIABILITIES</b>			
Accounts Payable	\$ 11,956,098	\$ -	\$ 11,956,098
Collections Held in Trust	-	7,113,401	7,113,401
Total Current Liabilities	<u>\$ 11,956,098</u>	<u>\$ 7,113,401</u>	<u>\$ 19,069,499</u>
<b>Total Liabilities</b>			

## Capital Assets

Capital assets, which include property, plant and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the government as land, buildings, road registered vehicles, equipment, and infrastructure with an initial individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Property, plant and equipment is depreciated using the straight-line method over the estimated useful lives.

**COUNTY OF LOUDOUN, VIRGINIA  
SCHEDULE OF CAPITAL ASSETS BY SOURCE  
AS OF JUNE 30, 2016**

**CAPITAL ASSETS**

Land	\$ 146,815,497
Buildings	459,848,585
Improvements Other Than Buildings	49,540,402
Equipment	185,955,031
Infrastructure	612,763,840
Construction in Progress	96,484,495
<b>Total Current Assets</b>	<u>1,551,407,850</u>
Less Accumulated Depreciation	<u>(350,406,788)</u>
<b>Net Capital Assets</b>	<u><u>\$ 1,201,001,062</u></u>

**COUNTY OF LOUDOUN, VIRGINIA  
SCHEDULE OF CAPITAL ASSETS BY FUNCTION  
AS OF JUNE 30, 2016**

<b>Function</b>	<b>Land</b>	<b>Buildings</b>	<b>Improvements other than Buildings</b>	<b>Machinery and Equipment</b>	<b>Infrastructure</b>	<b>Total</b>
General Government Administration	\$ 17,482,497	\$ 17,228,409	\$ -	\$ 65,513,227	\$ 1,285,970	\$ 101,510,103
Judicial Administration	398,112	35,050,899	-	1,304,232	-	36,753,243
Public Safety	22,157,416	186,901,391	-	72,386,843	477,550	281,923,200
Public Works	31,321,753	59,981,214	38,958	7,923,454	610,618,834	709,884,213
Health and Welfare	3,944,806	42,993,009	-	1,135,993	-	48,073,808
Parks, Recreation and Culture	58,716,815	102,454,651	40,824,626	7,957,857	381,486	210,335,435
Community Development	12,794,098	15,239,012	8,676,818	29,733,425	-	66,443,353
<b>Total Capital Assets Allocation to Functions</b>	<u>146,815,497</u>	<u>459,848,585</u>	<u>49,540,402</u>	<u>185,955,031</u>	<u>612,763,840</u>	<u>1,454,923,355</u>
Less: Accumulated Depreciation	-	(97,283,531)	(22,886,745)	(115,618,879)	(114,617,633)	(350,406,788)
<b>Total</b>	<u>\$ 146,815,497</u>	<u>\$ 362,565,054</u>	<u>\$ 26,653,657</u>	<u>\$ 70,336,152</u>	<u>\$ 498,146,207</u>	<u>1,104,516,567</u>
<b>Construction in Progress</b>						<u>96,484,495</u>
<b>Total Capital Assets</b>						<u>\$ 1,201,001,062</u>

**COUNTY OF LOUDOUN, VIRGINIA**  
**SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION**  
**FOR THE YEAR ENDED JUNE 30, 2016**

<b>Function</b>	<b>Fixed Assets June 30, 2015</b>	<b>Additions</b>	<b>Deductions</b>	<b>Transfers In / (Out)</b>	<b>Fixed Assets June 30, 2016</b>
General Government Administration	\$ 91,411,437	\$ 16,468,825	\$ 6,370,159	\$ -	\$ 101,510,103
Judicial Administration	36,776,058	-	22,815	-	36,753,243
Public Safety	280,616,299	11,580,346	11,786,707	1,513,262	281,923,200
Public Works	641,848,412	68,542,985	675,855	168,671	709,884,213
Health and Welfare	47,718,454	135,688	5,316	224,982	48,073,808
Parks, Recreation and Culture	210,911,983	990,301	7,738,497	6,171,648	210,335,435
Community Development	59,945,742	87,350	15,874	6,426,135	66,443,353
<b>Total Capital Assets Allocation to Function</b>	<u>1,369,228,385</u>	<u>97,805,495</u>	<u>26,615,223</u>	<u>14,504,698</u>	<u>1,454,923,355</u>
Construction in Progress	69,735,091	41,254,102	-	(14,504,698)	96,484,495
<b>Total</b>	<u>1,438,963,476</u>	<u>139,059,597</u>	<u>26,615,223</u>	<u>-</u>	<u>1,551,407,850</u>
Less: Accumulated Depreciation	<u>(329,903,963)</u>	<u>(39,532,061)</u>	<u>(19,029,236)</u>	<u>-</u>	<u>(350,406,788)</u>
<b>Net Capital Assets</b>	<u><u>\$ 1,109,059,513</u></u>	<u><u>\$ 99,527,536</u></u>	<u><u>\$ 7,585,987</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,201,001,062</u></u>

# Statistical Section

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**Loudoun County Employees Participate in National Walking Day, April 2016**

The Statistical Section contains historical information on financial trends, revenue capacity, debt capacity, demographic and economic information, and operating information that when used in conjunction with the financial statements, provides financial statement users with a context for assessing Loudoun County's economic condition.



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## STATISTICAL SECTION (1)

This section of the County's CAFR presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health. This information has not been audited by the independent auditor.

<u>Contents</u>	<u>Page</u>
<b>Financial Trends</b>	154
These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	158
These schedules contain information to help the reader assess the County's significant local revenue sources, the property tax, as well as other revenue sources.	
<b>Debt Capacity</b>	163
These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	
<b>Economic and Demographic Information</b>	166
These schedules offer economic and demographic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.	
<b>Operating Information</b>	168
These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.	

**Sources:** Unless otherwise noted, the information in this section is derived from the County's comprehensive annual financial reports for the relevant year. The County implemented GASB 34 in the fiscal year ending June 30, 2002; schedules presenting government-wide information include information beginning in the fiscal year ended June 30, 2007.

(1) The current Statistical Section as described in Statement No. 44 of the Government Accounting Standards Board was implemented, as required, in fiscal year 2006. The County uses fiscal year 2006 as the base year for gathering the 10-year historical data required for the Statistical Section.

## COUNTY OF LOUDOUN, VIRGINIA

## NET POSITION BY COMPONENT

(accrual basis of accounting)

	Fiscal Years									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Primary Government:</b>										
Net Investment in Capital Assets	\$ 996,818,157	\$ 884,138,828	\$ 807,212,078	\$ 756,586,759	\$ 653,910,318	\$ 577,369,256	\$ 585,178,496	\$ 527,364,157	\$ 489,043,054	\$ 485,203,057
Restricted	318,361,192	337,071,835	291,903,114	289,263,838	281,340,465	268,799,538	117,028,380	140,839,102	120,692,734	104,274,450
Unrestricted (4)	(613,257,980)	(571,270,147)	(577,761,995)	(523,228,920)	(486,196,509)	(578,627,392)	(574,814,326)	(588,919,383)	(514,969,805)	(570,530,797)
Total Primary Government Net Position	\$ 701,921,369	\$ 649,940,516	\$ 521,353,197	\$ 522,621,677	\$ 449,054,274	\$ 267,541,402	\$ 127,392,550	\$ 79,283,876	\$ 94,765,983	\$ 18,946,710
<b>Component Unit: (1)</b>										
Net Investment in Capital Assets	\$ 1,583,599,591	\$ 1,527,139,377	\$ 1,469,383,294	\$ 1,345,039,435	\$ 1,296,827,243	\$ 1,236,090,727	\$ 1,218,969,901	\$ 1,118,111,822	\$ 1,074,201,984	\$ 948,053,632
Restricted	3,381,400	29,406	32,647,494	45,542,377	25,723,640	69,473,633	95,452,677	160,182,948	94,027,547	194,986,560
Unrestricted (4)	(746,822,337)	(816,145,675)	(871,065,799)	(101,134,357)	(82,512,411)	(12,775,272)	8,838,292	25,363,594	56,218,412	56,951,907
Total Component Unit Net Position	\$ 840,158,654	\$ 711,023,108	\$ 630,964,989	\$ 1,289,447,455	\$ 1,240,038,472	\$ 1,327,320,262	\$ 1,323,260,870	\$ 1,303,658,364	\$ 1,224,447,943	\$ 1,199,992,099
<b>Total Reporting Entity: (2)</b>										
Net Investment in Capital Assets	\$ 1,775,172,438	\$ 1,497,405,980	\$ 1,435,368,414	\$ 1,263,421,137	\$ 1,181,750,230	\$ 983,749,795	\$ 873,938,252	\$ 720,468,499	\$ 743,562,715	\$ 498,936,494
Restricted	321,742,592	337,101,241	324,550,608	334,806,215	307,064,105	184,105,398	212,481,057	301,059,613	214,720,281	299,261,010
Unrestricted (4)	(554,835,007)	(492,586,334)	(607,600,836)	213,841,780	145,702,769	427,006,471	364,234,111	361,314,128	360,930,930	420,741,305
Total Reporting Entity Net Position	\$ 1,542,080,023	\$ 1,341,920,887	\$ 1,152,318,186	\$ 1,812,069,132	\$ 1,634,517,104	\$ 1,594,861,664	\$ 1,450,653,420	\$ 1,382,842,240	\$ 1,319,213,926	\$ 1,218,938,809

(1) Component unit net position components are included in this table due to School Board being a significant portion of the County. In Virginia, the County issues debt to finance the construction of school facilities for the School Board because the School Board do not have borrowing or taxing authority.

(2) The sum of the rows does not equal the Total Reporting Entity row because the debt related to the School Board Component Unit is reflected in the Primary Government's Net Position row reducing unrestricted net position. The assets are reflected in the School Board Component Unit row as Net Investment in Capital Assets. The Total Reporting Entity row matches the asset with the debt and reports the net amount on the Net Investment in Capital Assets line.

(3) Restated FY2011 net position of the Component Unit-School Board for change in depreciation due to timing of capitalization of school buildings.

(4) FY2014 net position was restated for both the Primary Government and the component unit due to the implementation of GASB statement 68, Accounting & Financial Reporting for Pensions.

FY2015 net position was restated for the Primary Government due to the implementation of GASB 73, Accounting & Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68.

**COUNTY OF LOUDOUN, VIRGINIA**  
**CHANGES IN NET POSITION**  
(accrual basis of accounting)

	Fiscal Years									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Primary Government:</b>										
<b>Expenses</b>										
General government administration	\$ 78,872,933	\$ 76,492,767	\$ 70,124,315	\$ 61,912,835	\$ 70,316,709	\$ 62,046,397	\$ 63,686,674	\$ 62,822,643	\$ 55,390,394	\$ 50,059,960
Judicial administration	15,514,395	13,911,561	13,095,288	13,583,932	13,914,515	12,713,817	13,102,418	12,195,513	13,491,840	11,998,091
Public safety	190,279,538	174,526,644	160,559,061	157,521,067	154,479,975	139,449,347	136,689,853	146,132,847	133,119,564	117,079,583
Public works	47,129,942	44,804,904	85,334,726	55,288,784	52,378,576	53,898,740	73,414,534	87,509,156	51,868,968	39,352,422
Health and welfare	92,463,665	85,297,302	81,275,904	80,983,615	83,094,558	81,624,733	85,065,383	82,537,935	85,769,481	77,284,839
Parks, recreation and culture	69,415,513	56,609,220	49,076,706	49,451,751	48,706,940	44,867,154	44,766,554	47,983,009	47,410,027	40,963,120
Community development	176,053,814	115,226,033	50,019,751	49,822,990	46,653,869	38,362,638	42,006,747	40,960,236	40,986,388	40,758,161
Education	775,002,448	754,055,346	715,184,760	666,322,749	516,790,758	523,831,880	558,233,336	648,732,511	551,205,050	613,877,184
Interest and other debt service charges	36,695,179	36,439,379	34,383,474	60,737,458	46,467,254	46,222,850	42,984,767	38,106,182	44,058,366	38,586,954
Total Primary Government expenses	\$ 1,481,427,428	\$ 1,357,363,158	\$ 1,259,053,985	\$ 1,195,625,181	\$ 1,032,803,154	\$ 1,003,017,556	\$ 1,059,950,266	\$ 1,166,980,032	\$ 1,023,300,098	\$ 1,029,960,314
<b>Program Revenues</b>										
Charges for services:										
General government administration	\$ 1,362,795	\$ 1,656,935	\$ 1,353,242	\$ 1,330,300	\$ 1,196,643	\$ 1,604,464	\$ 1,291,961	\$ 1,193,028	\$ 1,080,504	\$ 1,690,165
Judicial administration	1,338,326	1,482,901	1,523,323	1,879,288	1,540,865	1,525,826	1,625,414	1,925,667	2,177,646	2,784,513
Public safety	20,180,529	15,977,837	15,573,927	15,841,619	13,472,302	11,954,370	9,743,766	10,199,123	11,714,375	11,653,582
Public works	5,707,115	6,250,470	5,968,154	2,517,428	3,092,074	3,392,704	2,840,600	3,239,278	4,123,782	4,009,388
Health and welfare	7,484,824	7,337,339	7,948,274	8,130,889	8,659,934	8,675,500	7,830,997	7,444,700	8,790,470	7,537,008
Parks, recreation and culture	16,511,902	15,968,622	15,780,946	16,677,711	16,373,314	16,066,824	14,734,804	14,052,720	13,855,369	11,473,703
Community development	18,691,245	20,322,823	18,881,378	21,724,548	18,987,466	15,020,443	12,555,265	12,143,717	14,863,758	14,368,965
Education	-	-	-	4,660	4,647	1,744	4,188	61,609	204,551	259,804
Operating grants and contributions	103,482,664	86,573,896	96,662,699	92,839,966	84,070,450	64,135,538	79,233,436	73,551,322	70,591,149	61,734,142
Capital grants and contributions	48,214,136	64,993,806	31,300,805	49,208,083	44,375,368	18,665,478	17,632,716	50,436,513	37,425,005	12,012,850
Total Primary Government program revenues	\$ 222,973,536	\$ 220,564,630	\$ 194,992,748	\$ 210,154,492	\$ 191,773,063	\$ 141,042,891	\$ 147,493,147	\$ 174,247,677	\$ 164,826,609	\$ 127,524,120
Total Primary Government net expense <sup>(1)</sup>	\$ (1,258,453,892)	\$ (1,136,798,527)	\$ (1,064,061,237)	\$ (985,470,689)	\$ (841,030,091)	\$ (861,974,665)	\$ (912,457,119)	\$ (992,732,355)	\$ (858,473,489)	\$ (902,436,194)
<b>General Revenues and Other Changes in Net Position</b>										
Taxes:										
Property taxes	\$ 1,053,830,653	\$ 976,628,296	\$ 909,770,674	\$ 853,973,763	\$ 826,556,065	\$ 809,717,753	\$ 779,918,323	\$ 780,314,126	\$ 739,793,194	\$ 657,976,780
Local sales and use taxes	93,154,168	91,534,573	81,669,562	69,555,652	68,907,540	63,589,457	57,604,972	55,353,088	57,209,778	54,099,950
Consumer utility taxes	21,555,702	22,548,783	21,415,296	21,504,030	19,864,904	20,236,914	20,087,509	19,891,260	20,940,326	19,263,192
Business license taxes	31,785,671	31,558,942	29,209,497	28,400,538	25,995,888	25,355,444	23,076,923	25,552,292	25,464,522	26,718,562
Franchise license taxes	268,173	814,680	761,526	679,828	657,160	586,485	503,990	424,254	-	857,820
Motor vehicle licenses	6,817,105	6,547,752	6,304,760	6,061,581	5,861,761	5,663,926	5,486,343	5,313,822	5,189,600	5,064,223
Bank franchise taxes	3,870,002	5,720,221	3,102,805	1,295,921	1,457,653	2,015,493	1,098,270	585,119	365,769	465,944
Taxes on recordation and wills	10,786,451	10,812,714	9,417,841	11,535,308	8,988,228	7,936,513	7,424,426	7,401,252	9,166,347	12,944,088
Hotel and motel room taxes	5,720,710	5,699,308	4,722,338	4,947,024	4,940,965	5,044,602	4,748,883	5,572,925	5,995,828	5,664,725
Interest and investment earnings	22,929,100	3,852,976	3,262,087	1,806,389	2,251,057	2,625,335	4,229,035	12,182,445	23,996,377	23,789,942
Unrestricted grants and contributions	57,189,579	58,109,728	56,742,228	57,029,501	54,190,713	55,383,277	54,732,247	56,173,663	56,980,645	56,807,035
Miscellaneous	2,527,431	5,750,380	7,807,943	2,248,557	2,871,029	3,968,318	1,654,872	2,104,896	2,370,314	796,784
Special Item	-	26,764,758	-	-	-	-	-	6,381,106	-	-
Total Primary Government general revenues	\$ 1,310,434,745	\$ 1,246,343,111	\$ 1,134,186,557	\$ 1,059,038,092	\$ 1,022,542,963	\$ 1,002,123,517	\$ 960,565,793	\$ 977,250,248	\$ 947,472,700	\$ 864,449,045
<b>Change in Net Position</b>	<b>\$ 51,980,853</b>	<b>\$ 109,544,582</b>	<b>\$ 70,125,320</b>	<b>\$ 73,567,403</b>	<b>\$ 181,512,872</b>	<b>\$ 140,148,852</b>	<b>\$ 48,108,674</b>	<b>\$ (15,482,107)</b>	<b>\$ 88,999,211</b>	<b>\$ (37,987,149)</b>

<sup>(1)</sup> Net (expense) revenue is the difference between the expenses and program revenues. It indicates the degree to which a function or program is supported with its own fees and program-specific grants versus its reliance upon funding from taxes and other general revenues. A number in parentheses indicates that expenses were greater than program revenues and; therefore, general revenues were needed to finance that function or program. A number without parentheses indicates that program revenues were more than sufficient to cover expenses.

**COUNTY OF LOUDOUN, VIRGINIA**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
(modified accrual basis of accounting)

	Fiscal Years									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Pre GASB 54:</b>										
<b>General Fund:</b>										
Reserved								\$ 13,116,086	\$ 11,316,291	\$ 14,568,061
Unreserved										
Designated								105,123,783	99,502,387	91,334,925
Undesignated								42,653,142	46,250,909	57,711,167
Total General Fund								\$ 160,893,011	\$ 157,069,587	\$ 163,614,153
<b>Other Governmental Funds:</b>										
Reserved								\$ 80,629,313	\$ 82,116,013	\$ 23,271,448
Unreserved										
Designated:										
Special Revenue Funds								-	-	1,244,469
Capital Project Funds								135,914,520	75,864,057	146,568,818
Debt Service Fund								19,116,001	23,324,983	27,321,218
Undesignated:										
Special Revenue Funds								126,253,942	117,590,281	109,464,235
Total Other Governmental Funds								\$ 361,913,776	\$ 298,895,334	\$ 307,870,188
<b>Post GASB 54:</b>										
<b>General Fund:</b>										
Nondisposable	\$ 2,236,771	\$ 1,552,625	\$ 4,196,375	\$ 2,702,989	\$ 3,141,458	\$ 3,485,287	\$ 3,382,785			
Restricted	-	-	-	-	496,427	587,920	736,194			
Committed	194,062,295	165,501,135	128,847,559	123,624,193	116,969,167	127,596,371	111,378,755			
Assigned	34,321,280	91,014,370	27,788,140	42,016,085	35,150,320	3,089,893	4,368,207			
Unassigned	55,710,322	34,268,797	62,038,432	51,307,907	46,465,428	61,501,286	67,221,557			
Total General Fund (1)	\$ 286,330,668	\$ 292,336,927	\$ 222,870,506	\$ 219,651,174	\$ 202,222,800	\$ 196,260,757	\$ 187,087,498			
<b>All Other Governmental Funds:</b>										
Nondisposable	\$ 2,398,345	\$ 2,540,189	\$ 2,950,698	\$ 2,576,238	\$ 2,976,188	\$ 1,455,427	\$ 1,532,553			
Restricted	431,485,988	403,094,097	347,266,991	289,263,838	280,844,038	268,211,618	252,044,227			
Committed (2)	108,765,849	86,192,886	87,263,100	71,710,962	93,409,781	115,791,455	65,777,747			
Assigned	56,881,796	42,111,174	53,582,435	58,525,142	22,625,174	10,347,947	13,064,889			
Unassigned	-	(462)	(906,121)	(638,138)	(664,939)	-	-			
Total All Other Governmental Funds (1)	\$ 599,531,978	\$ 533,937,884	\$ 490,157,103	\$ 421,438,042	\$ 399,190,242	\$ 395,806,447	\$ 332,419,416			
<b>Total Governmental Funds</b>	<b>\$ 885,862,646</b>	<b>\$ 826,274,811</b>	<b>\$ 713,027,609</b>	<b>\$ 641,089,216</b>	<b>\$ 601,413,042</b>	<b>\$ 592,067,204</b>	<b>\$ 519,506,914</b>	<b>\$ 522,806,787</b>	<b>\$ 455,964,921</b>	<b>\$ 471,484,341</b>

- (1) The increase in general fund fund balance from FY2014 to FY2015 is primarily related to an increase in general property taxes due to a 6% increase in tax assessments. The increase in all other governmental funds fund balance from FY2014 to FY2015 is due to an increase in developer contributions and an increase in NVTA 70% funding for road improvements that were not present in FY2014.
- (2) FY2015 committed fund balance was restated due to the implementation of GASB 73, Accounting & Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68.

**COUNTY OF LOUDOUN, VIRGINIA**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
(modified accrual basis of accounting)

	Fiscal Years									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Revenues</b>										
General property taxes	\$ 1,053,830,393	\$ 972,795,283	912,961,722	\$ 852,834,842	\$ 828,523,936	\$ 811,668,497	\$ 780,886,551	\$ 777,764,635	\$ 741,296,705	\$ 653,847,833
Other local taxes	173,957,982	175,236,973	156,603,625	143,979,882	136,674,099	130,428,834	120,031,316	120,094,012	124,332,170	125,084,324
Permits and licenses	22,386,605	24,125,597	23,901,359	22,614,546	18,621,240	14,444,622	10,791,655	11,844,637	15,023,716	15,301,258
Fines and forfeitures	1,726,649	2,147,816	2,249,057	2,746,066	2,729,647	2,705,771	2,539,918	2,545,492	2,069,644	1,938,316
Use of money and property	7,107,594	3,852,976	3,262,087	3,770,933	4,854,195	5,080,665	5,806,890	15,356,324	30,090,220	29,738,479
Charges for services	38,312,633	35,081,533	33,473,618	32,089,497	30,759,688	29,376,216	26,227,611	25,121,561	24,898,207	23,232,267
Gifts and donations	43,861,872	38,613,977	44,308,322	47,171,149	32,595,451	15,346,612	23,607,010	16,038,282	20,225,374	13,941,107
Miscellaneous	1,353,394	1,402,609	5,414,298	2,349,169	1,359,712	2,080,701	620,206	1,333,558	360,477	825,273
Recovered costs	10,024,886	10,653,575	9,798,854	8,591,178	10,124,849	11,147,553	10,524,622	8,345,611	10,734,882	7,322,441
Intergovernmental - Commonwealth of Virginia	95,471,328	94,207,396	101,573,851	87,849,590	87,405,196	85,827,355	79,536,378	92,494,168	90,654,860	87,360,501
Intergovernmental - Federal Government	22,891,443	17,414,426	16,877,484	16,361,651	21,216,867	23,561,617	36,828,492	31,208,905	20,156,214	20,442,859
Payment from Component Unit	-	1,336,176	-	28,174,303	-	-	-	-	-	-
Total revenues	\$ 1,470,924,779	\$ 1,376,868,337	\$ 1,310,429,277	\$ 1,248,532,806	\$ 1,174,864,880	\$ 1,131,668,443	\$ 1,097,400,649	\$ 1,102,147,185	\$ 1,079,842,469	\$ 979,034,658
<b>Expenditures</b>										
General government administration	\$ 75,818,203	\$ 73,713,453	\$ 71,290,404	\$ 59,857,783	\$ 68,187,026	\$ 57,425,608	\$ 58,971,603	\$ 58,014,874	\$ 53,697,645	\$ 47,999,483
Judicial administration	14,218,844	12,991,779	12,393,266	12,634,767	12,438,251	11,906,191	12,010,979	12,159,740	11,943,448	10,985,963
Public safety	173,299,516	167,742,292	156,508,109	151,361,628	146,717,960	139,766,826	134,915,733	141,207,093	127,329,016	115,484,242
Public works	35,498,009	34,636,706	81,737,077	48,249,790	46,330,697	47,410,592	65,313,594	55,961,771	45,143,766	34,532,493
Health and welfare	88,519,474	84,716,353	80,335,173	79,541,256	80,280,556	81,217,371	83,739,002	82,476,368	82,831,548	76,568,894
Parks, recreation and culture	54,094,185	51,768,132	47,054,221	45,351,862	42,601,230	42,865,541	42,229,577	44,256,562	43,808,392	38,707,111
Community development	173,225,017	114,009,274	53,813,487	48,960,308	45,934,636	37,561,438	40,414,055	42,939,187	36,762,407	38,028,091
Education	755,004,406	754,055,349	702,281,760	694,497,052	528,356,150	523,831,880	558,233,336	661,083,089	540,552,406	610,738,921
Capital outlay	83,531,166	30,975,698	32,545,249	64,776,387	35,427,284	50,947,973	58,053,186	85,295,782	31,636,288	29,325,928
Debt service:										
Principal payments	107,440,000	108,400,000	97,475,000	91,803,777	118,704,451	101,275,616	76,369,500	83,497,294	79,752,802	71,414,847
Interest and service charges	63,094,604	48,771,345	45,564,372	52,923,102	52,075,247	53,154,667	50,854,909	48,380,508	49,049,819	43,459,098
Total expenditures	\$ 1,623,743,424	\$ 1,481,780,381	\$ 1,380,998,118	\$ 1,349,957,712	\$ 1,177,053,488	\$ 1,147,363,703	\$ 1,181,105,474	\$ 1,315,272,268	\$ 1,102,527,537	\$ 1,117,245,071
Deficiency of revenues under expenditures	\$ (152,818,645)	\$ (104,912,044)	\$ (70,568,841)	\$ (101,424,906)	\$ (2,188,608)	\$ (15,695,260)	\$ (83,704,825)	\$ (213,125,083)	\$ (22,685,068)	\$ (138,210,413)
<b>Other financing sources (uses)</b>										
Transfers in	\$ 604,508,990	\$ 335,425,664	\$ 344,490,584	\$ 212,301,419	\$ 225,303,162	\$ 295,977,594	\$ 210,275,969	\$ 318,270,686	\$ 170,873,438	\$ 183,476,008
Transfers (out)	(609,018,446)	(353,568,109)	(348,480,199)	(209,179,221)	(230,973,170)	(305,302,007)	(219,434,691)	(314,474,722)	(177,004,116)	(183,743,198)
Issuance Premium	18,140,155	20,109,092	9,813,352	17,227,036	11,565,392	7,827,179	2,959,133	18,065,439	895,654	10,652,401
Issuance of Bonds and Leases	175,525,000	159,140,000	115,160,000	119,990,000	5,000,000	89,750,000	175,720,527	382,004,977	12,290,000	188,800,000
Issuance of Federal Loans	42,396,239	11,207,976	-	-	-	-	-	-	-	-
Premium on Refunded Bonds & Leases	15,979,967	-	-	11,671,077	-	-	-	-	-	-
Issuance of Refunding Bonds & Leases	83,650,000	-	-	127,155,000	-	-	-	-	-	-
Payments to Refunded Bond Escrow Agent	(98,866,723)	-	-	(138,064,231)	-	-	(89,120,000)	(131,030,000)	-	486,065
Proceeds from Sale of Capital Assets to Component	(19,998,042)	-	-	-	-	-	-	-	-	-
Sales of Capital Assets	89,340	37,128	21,523,497	-	639,062	2,784	4,014	7,169,475	110,672	15,029
Total other financing sources	\$ 212,406,480	\$ 172,351,751	\$ 142,507,234	\$ 141,101,080	\$ 10,895,384	\$ 88,255,550	\$ 80,404,952	\$ 280,005,855	\$ 7,165,648	\$ 199,686,305
<b>SPECIAL ITEM</b>										
Return of fiscal reserve from component unit	-	26,764,758	-	-	-	-	-	-	-	-
<b>Net change in fund balances</b>	<b>\$ 59,587,835</b>	<b>\$ 94,204,465</b>	<b>\$ 71,938,393</b>	<b>\$ 39,676,174</b>	<b>\$ 8,706,776</b>	<b>\$ 72,560,290</b>	<b>\$ (3,299,873)</b>	<b>\$ 66,880,772</b>	<b>\$ (15,519,420)</b>	<b>\$ 61,475,892</b>
<b>Debt service as a percentage of noncapital expenditures (Primary Government Only)</b>										
Total debt service	\$ 170,534,604	\$ 157,171,345	\$ 143,039,372	\$ 144,726,879	\$ 170,779,698	\$ 154,430,283	\$ 127,224,409	\$ 131,877,802	\$ 128,802,621	\$ 114,880,554
Total expenditures	1,623,743,424	1,481,780,381	1,380,998,118	1,349,957,712	1,177,053,488	1,147,363,703	1,181,105,474	1,302,929,705	1,102,527,537	1,117,452,007
Capital outlay - Primary Government Only	(85,836,133)	(24,949,672)	(42,695,285)	(66,460,172)	(37,726,538)	(55,271,711)	(60,858,796)	(87,290,325)	(36,744,321)	(31,622,908)
Noncapital Expenditure	\$ 1,537,907,291	\$ 1,456,830,709	\$ 1,338,302,833	\$ 1,283,497,540	\$ 1,139,326,950	\$ 1,092,091,992	\$ 1,120,246,678	\$ 1,215,639,380	\$ 1,065,783,216	\$ 1,085,829,099
Debt service as a percentage of noncapital expenditures	11.09%	10.79%	10.69%	11.28%	14.99%	14.14%	11.36%	10.85%	12.09%	10.58%

**COUNTY OF LOUDOUN, VIRGINIA**  
**TAX REVENUES BY SOURCES, GOVERNMENTAL FUNDS**  
(modified accrual basis of accounting)

<b>Fiscal Year</b>	<b>Property</b>	<b>Sales &amp; Use</b>	<b>Utility</b>	<b>Business License</b>	<b>Franchise</b>	<b>Motor Vehicle</b>	<b>Recordation &amp; Will</b>	<b>Hotel &amp; Motel Room</b>	<b>Total</b>
2016	\$ 1,053,830,393	\$ 93,154,168	\$ 21,555,702	\$ 31,785,671	\$ 4,138,175	\$ 6,817,105	\$ 10,786,451	\$ 5,720,710	\$ 1,227,788,375
2015	972,795,283	91,534,573	22,548,783	31,558,942	6,534,901	6,547,752	10,812,714	5,699,308	1,148,032,256
2014	912,961,722	81,669,562	21,415,296	29,209,497	3,864,331	6,304,760	9,417,841	4,722,338	1,069,565,347
2013	852,834,842	69,555,652	21,504,030	28,400,538	1,975,749	6,061,581	11,535,308	4,947,024	996,814,724
2012	828,523,936	68,907,540	19,864,904	25,995,888	2,114,813	5,861,761	8,988,228	4,940,965	965,198,035
2011	811,668,497	63,589,457	20,236,914	25,355,444	2,601,978	5,663,926	7,936,513	5,044,602	942,097,331
2010	780,886,551	57,604,972	20,087,509	23,076,923	1,602,260	5,486,343	7,424,426	4,748,883	900,917,867
2009	777,764,635	55,353,088	19,891,260	25,552,292	1,009,373	5,313,822	7,401,252	5,572,925	897,858,647
2008	741,296,705	57,209,778	20,940,326	25,464,522	365,769	5,189,600	9,166,347	5,995,828	865,628,875
2007	653,847,833	54,099,950	19,263,192	26,724,382	1,323,764	5,064,223	12,944,088	5,664,725	778,932,157

**COUNTY OF LOUDOUN, VIRGINIA**  
**ASSESSED VALUE OF TAXABLE PROPERTY (1)**

Fiscal Year	REAL PROPERTY (2)			PERSONAL PROPERTY (3)		Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Rate
	Residential Property	Commercial Property	Agricultural Property	Motor Vehicles	Other			
2016	\$54,327,208,730	\$21,453,136,487	\$3,624,755,500	\$3,278,370,552	\$3,998,584,450	\$6,257,253,650	\$80,424,802,069	\$ 1.40
2015	52,975,768,941	20,323,832,864	2,940,245,016	3,033,345,780	3,326,341,970	6,012,249,930	76,587,284,641	1.34
2014	49,375,732,710	18,798,029,977	2,982,086,580	2,875,108,689	2,598,818,757	5,433,975,660	71,195,801,053	1.42
2013	44,774,937,934	17,688,305,039	2,862,747,040	2,728,476,540	2,617,701,019	5,289,844,810	65,382,322,762	1.41
2012	42,339,146,700	17,195,936,300	2,968,638,600	2,587,376,111	2,121,835,958	5,148,056,700	62,064,876,969	1.39
2011	40,803,550,100	16,925,004,000	3,074,079,800	2,374,460,302	2,079,399,563	4,975,969,800	60,280,523,965	1.43
2010	39,017,317,800	17,059,031,027	3,195,328,500	2,235,611,828	1,962,529,466	4,830,803,300	58,639,015,321	1.42
2009	39,830,524,980	18,002,444,600	4,009,280,100	2,081,825,371	1,976,148,727	5,023,445,900	60,876,777,878	1.36
2008	45,791,942,249	17,358,716,900	4,794,833,700	2,297,252,769	1,619,759,946	4,882,198,700	66,980,306,864	1.26
2007	48,322,231,082	15,966,376,200	4,143,962,100	2,188,395,870	1,387,749,362	4,725,959,400	67,282,755,214	1.07

(1) Property in Loudoun County is assessed annually at 100% fair market value with the date of value being January 1.

Tax rates are per \$100 of assessed value.

(2) Source: Loudoun County Office of the Commissioner of Revenue.

Data through 2015 is obtained from the Land Book for each year. Current year data is obtained from the assessment summary.

Public service corporation assessment in the commercial property column reflects assessed value for January 1 of the corresponding fiscal year.

Beginning FY2014, public service company tangible personal property other than motor vehicles is included in commercial property.

Prior year numbers are adjusted as more current data becomes available

(3) Source: Loudoun County Office of the Commissioner of Revenue, for June 30 of each year.

**COUNTY OF LOUDOUN, VIRGINIA  
PROPERTY TAX RATES  
DIRECT AND OVERLAPPING GOVERNMENTS**

Type of tax	Calendar Years									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>LOUDOUN COUNTY</b>										
Countywide Tax Levies:										
Real property (1):										
General Fund	\$ 1.145	\$ 1.135	\$ 1.155	\$ 1.205	\$ 1.235	\$ 1.285	\$ 1.300	\$ 1.245	\$ 1.14	\$ 0.917
Route 28 Highway Improvement	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.20	0.20
Aldie Sewer Service District ended 01/01/13	n/a	n/a	n/a	n/a	0.13	0.13	0.13	0.13	0.13	0.13
Metrorail Service District	0.20	0.20	0.20	0.20	n/a	n/a	n/a	n/a	n/a	n/a
Hamilton Sewer Service District (5)	n/a	n/a	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Fire/Emergency Medical Services	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0.04
Total direct real property tax rate (2)	1.169	1.158	1.251	1.251	1.251	1.302	1.319	1.265	1.159	0.975
Personal property:										
Personal Property (General)	4.200	4.200	4.200	4.200	4.200	4.200	4.200	4.200	4.200	4.200
Mobile Homes	1.145	1.135	1.155	1.205	1.235	1.285	1.300	1.245	1.140	0.960
Aircraft & Flight Simulators	0.010	0.010	0.010	0.010	0.010	0.010	0.010	0.010	0.010	0.010
Heavy Equipment	4.000	4.000	4.000	4.000	4.000	4.000	4.000	4.000	4.000	4.000
Satellite Manufacturing Equipment	0.010	0.010	0.010	0.010	0.010	0.010	0.010	0.010	0.010	0.010
Computer Equipment	4.200	4.200	4.200	4.200	4.200	4.200	4.200	4.200	4.200	4.200
Machinery and Tools	2.750	2.750	2.750	2.750	2.750	2.750	2.750	2.750	2.750	2.750
Total direct personal property tax rate (2)	3.808	3.808	3.750	3.659	3.699	3.515	3.277	3.139	3.500	3.304
Total Direct Rate	\$ 1.40	\$ 1.34	\$ 1.42	\$ 1.41	\$ 1.39	1.43	1.42	1.36	1.26	1.07
<b>OVERLAPPING GOVERNMENTS (3)</b>										
Town of Hamilton										
Real Estate	\$ 0.28	\$ 0.28	\$ 0.28	\$ 0.28	\$ 0.28	\$ 0.28	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25
Personal Property	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10
Town of Leesburg										
Real Estate	0.186	0.183	0.192	0.192	0.195	0.195	0.195	0.195	0.18	0.18
Personal Property	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Town of Lovettsville (4)										
Real Estate	0.21	0.21	0.21	0.21	0.21	0.21	0.21	0.18	0.18	0.18
Town of Middleburg (4)										
Real Estate	0.17	0.17	0.20	0.15	0.19	0.15	0.19	0.15	0.15	0.15
Town of Purcellville										
Real Estate	0.220	0.220	0.225	0.225	0.225	0.23	0.23	0.22	0.19	0.18
Personal Property	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05
Machinery and tools	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55
Town of Round Hill										
Real Estate	0.18018	0.18018	0.1981	0.2034	0.209	0.20	0.20	0.20	0.16	0.14
Personal Property	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15

(1) Community Development Authority, Dulles Industrial Park Water & Sewer, and Green Tax District are per property basis

(2) Total Direct Rate calculated using the weighted average method

(3) Town of Hillsboro has no tax assessment

(4) Town of Lovettsville and Town of Middleburg have no personal property tax assessment



TABLE H

**COUNTY OF LOUDOUN, VIRGINIA  
PRINCIPAL PROPERTY TAXPAYERS  
Current Year and Nine Years Ago**

Taxpayer (1)	2016			2007		
	Taxable Assessed Value	Rank	Percentage of Taxable Real Property Assessed Value	Taxable Assessed Value	Rank	Percentage of Taxable Real Property Assessed Value
Toll Road Investors Partnership II LLC	\$ 308,041,700	1	0.42%	\$ 207,736,600	3	0.33%
Ashburn Commons LLC	272,507,970	2	0.37%			
Dulles Town Center Mall LLC	254,901,920	3	0.35%	253,235,300	2	0.40%
Chelsea GCA Realty Partnership LP	196,055,180	4	0.27%	117,154,900	4	0.18%
Equinix R P II LLC	179,820,940	5	0.25%			
VISA USA INC	179,706,210	6	0.25%			
Redwood ERC Ashburn LLC	177,614,760	7	0.24%			
Digital Loudoun Parkway Center North LLC	167,223,940	8	0.23%			
RT Pacific Blvd LLC	138,598,130	9	0.19%			
Fox Properties	123,488,960	10	0.17%			
America Online Inc				359,882,700	1	0.56%
P L Dulles LLC				116,792,600	5	0.18%
LHO New Orleans LM LP				101,165,600	6	0.16%
Saul Holdings Limited Partnership				87,320,800	7	0.14%
ASN Stoneridge LLC				86,471,200	8	0.14%
Summit Properties Partnership LP				85,721,700	9	0.13%
Northwestern Mutual Life Insurance Co				73,504,000	10	0.12%
Total	<u>\$ 1,997,959,710</u>		<u>2.73%</u>	<u>\$ 1,488,985,400</u>		<u>2.34%</u>

(1) This table excludes public service corporations since their real property values are assessed by the State Corporation Commission.

TABLE I

**COUNTY OF LOUDOUN, VIRGINIA  
PROPERTY TAX LEVIES AND COLLECTIONS**

Fiscal Year Ended June 30,	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2016	\$ 1,043,083,318	1,016,281,573	97.43%	\$ -	\$ 1,016,281,573	97.431%
2015	968,421,053	963,827,628	99.53%	2,821,793	966,649,421	99.817%
2014	913,313,060	897,169,471	98.23%	15,655,880	912,825,351	99.947%
2013	850,743,546	838,772,203	98.59%	11,769,336	850,541,539	99.976%
2012	824,588,825	814,911,747	98.83%	9,647,046	824,558,793	99.996%
2011	806,466,618	798,419,783	99.00%	8,016,194	806,435,977	99.996%
2010	777,591,117	768,962,907	98.89%	8,606,719	777,569,626	99.997%
2009	778,479,460	769,037,117	98.79%	9,243,697	778,280,814	99.974%
2008	736,460,357	727,908,521	98.84%	8,456,461	736,364,982	99.987%
2007	651,303,109	643,512,082	98.80%	7,791,027	651,303,109	100.000%

TABLE J

COUNTY OF LOUDOUN, VIRGINIA  
RATIOS OF OUTSTANDING DEBT BY TYPE

Fiscal Year	Primary Government Governmental Activities			Component Unit School Board		Total Reporting Entity	Percentage of Personal Income	Debt Per Capita
	General Obligation Bonds	Capital Leases	Loans	General Obligation Bonds	Capital Leases			
2016	\$ 1,045,654,323	\$ 210,135,000	53,604,215	\$ 0	\$ 25,118,510	\$ 1,334,512,048	4.84%	\$ 3,571
2015	1,051,052,517	134,430,000	11,271,200	0	24,332,958	1,221,086,675	4.79%	3,359
2014	1,010,346,955	114,395,000	-	0	23,071,352	1,147,813,307	4.85%	3,265
2013	981,105,668	124,900,000	-	0	20,936,587	1,126,942,255	5.04%	3,327
2012	923,266,586	138,143,777	-	0	18,870,504	1,080,280,867	4.88%	3,298
2011	1,024,633,054	156,928,228	-	0	20,291,271	1,201,852,553	5.76%	3,761
2010	1,004,330,000	138,968,844	-	0	20,911,909	1,164,210,753	6.01%	3,728
2009	1,007,377,247	128,696,096	-	0	25,179,363	1,161,252,706	6.28%	3,808
2008	919,280,193	55,650,444	-	0	24,389,818	999,320,455	5.28%	3,349
2007	984,781,111	57,612,328	-	0	23,288,748	1,065,682,187	6.18%	3,682

TABLE K

**COUNTY OF LOUDOUN, VIRGINIA**  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Total General Bonded Debt</b>	<b>Resources Restricted to Repaying Principal</b>	<b>Net General Bonded Debt</b>	<b>Percentage of Taxable Assessed Value of Property</b>	<b>Net Bonded Debt Per Capita</b>
2016	\$ 1,045,654,323	\$ 1,045,654,323	\$ -	\$ 1,045,654,323	1.30%	\$ 2,798
2015	1,051,052,517	1,051,052,517	-	1,051,052,517	1.37%	2,891
2014	1,010,346,955	1,010,346,955	10,004,029	1,000,342,926	1.41%	2,845
2013	981,105,668	981,105,668	10,004,029	971,101,639	1.49%	2,867
2012	923,266,586	923,266,586	10,004,029	913,262,557	1.47%	2,788
2011	1,024,633,054	1,024,633,054	-	1,024,633,054	1.70%	3,207
2010	1,004,330,000	1,004,330,000	-	1,004,330,000	1.71%	3,216
2009	1,007,377,247	1,007,377,247	-	1,007,377,247	1.65%	3,303
2008	919,280,193	919,280,193	-	919,280,193	1.37%	3,080
2007	984,781,111	984,781,111	-	984,781,111	1.46%	3,403

**COUNTY OF LOUDOUN, VIRGINIA  
COUNTY POLICY DEBT MARGIN (1)**

**TABLF L**

		Fiscal Policy Guideline	Fiscal YFars									
			2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Ratio Data:												
Population			373,694	363,524	351,573	338,733	327,605	319,537	312,311	304,964	298,420	289,397
Estimated Market Value of Taxable Property			\$80,424,802,069	\$76,587,284,641	\$71,195,801,053	\$ 65,382,322,762	\$ 62,064,876,969	\$ 60,280,523,965	\$ 58,639,015,321	\$ 60,876,777,878	\$ 66,980,306,864	\$ 67,282,755,214
Per Capita Income			73,720	70,057	67,384	66,062	67,628	65,283	62,030	60,600	63,405	59,594
Governmental Expenditures			2,659,833,676	2,233,206,801	2,155,954,294	1,922,082,165	1,806,724,146	1,800,455,938	1,774,733,828	1,895,186,256	1,568,547,711	1,446,619,735
Total Reporting Entity Outstanding Debt			1,334,512,048	1,221,086,675	1,147,813,307	1,126,942,255	1,080,280,867	1,201,852,553	1,164,210,753	1,161,252,706	999,320,455	1,065,682,187
Total Reporting Entity Debt Service Expenditures			179,045,809	165,458,284	151,198,767	152,949,942	179,700,528	163,843,477	138,679,732	141,921,045	138,365,448	122,205,086
Debt Capacity Goals / Ratios:												
Annual Debt Issuance Limit		\$ 200,000,000	\$ 169,990,000	\$ 160,085,000	\$ 125,160,000	\$ 129,916,000	\$ 12,000,000	\$ 97,894,000	\$ 92,863,000	\$ 260,240,000	\$ 22,249,818	\$ 197,076,000
Debt Per Capita		2,500.00	3,571.14	3,359.03	3,264.79	3,326.93	3,297.51	3,761.23	3,727.73	3,807.84	3,348.70	3,682.42
Debt To Estimated Market Value of Taxable Property		3.00%	1.66%	1.59%	1.61%	1.72%	1.74%	1.99%	1.99%	1.91%	1.49%	1.58%
Debt To Per Capita Income		8.00%	4.84%	4.79%	4.85%	5.04%	4.88%	5.76%	6.01%	6.28%	5.28%	6.18%
Debt Service To Expenditures		10.00%	6.73%	7.41%	7.01%	7.96%	9.95%	9.10%	7.81%	7.49%	8.82%	8.45%
Affordability Index:												
Fiscal Year 2016		\$ 2,043,941,753	\$ 1,334,512,048									
Fiscal Year 2015		\$ 1,928,779,397	\$ 1,221,086,675									
Fiscal Year 2014		\$ 1,800,261,136		\$ 1,147,813,307								
Fiscal Year 2013		\$ 1,639,434,143			\$ 1,126,942,255							
Fiscal Year 2012		\$ 1,583,254,673				\$ 1,080,280,867						
Fiscal Year 2011		\$ 1,521,139,340					\$ 1,201,852,553					
Fiscal Year 2010		\$ 1,456,314,304						\$ 1,164,210,753				
Fiscal Year 2009		\$ 1,459,439,984							\$ 1,161,252,706			
Fiscal Year 2008		\$ 1,550,128,795								\$ 999,320,455		
Fiscal Year 2007		\$ 1,505,731,722										\$ 1,065,682,187
OVERLAPPING DEBT (2)												
Commonwealth of Virginia			\$ 112,442,636	\$ 117,510,136	\$ 122,150,136	\$ 126,270,136	\$ 129,970,136	\$ 129,991,834	\$ 133,091,834	\$ 152,523,472	\$ 132,445,972	\$ 124,238,284
Peumansend Creek Regional Jail Authority			76,000	153,600	232,800	313,600	396,000	481,600	569,600	658,400	748,000	929,600
Northern Virginia Criminal Justice Academy			2,692,800	2,905,650	3,111,900	3,309,900	3,499,650	3,682,800	5,387,250	5,651,250	5,907,000	7,755,000
Loudoun Water (formally Loudoun County Sanitation Authority) (3)			-	27,476	54,953	82,429	109,906	137,382	164,858	192,335	219,811	274,764
Dulles Town Center Community Development Authority			24,260,000	26,080,000	31,520,000	32,705,000	33,740,000	34,635,000	35,405,000	36,060,000	36,605,000	36,410,000
Virginia Revolving Loan Fund (3)			-	658,326	793,022	923,767	1,293,433	1,173,861	1,293,433	1,409,497	1,522,155	1,873,383
Dulles Industrial Park Water and Sewer (3)			-	72,968	213,372	346,712	473,342	593,601	-	-	-	-
Greenlea Community Bridge			276,585	302,841	327,590	350,918	372,907	393,633	-	-	-	-
Total Overlapping Debt			\$ 139,748,021	\$ 147,710,997	\$ 158,403,773	\$ 164,302,462	\$ 169,855,374	\$ 171,089,711	\$ 175,911,975	\$ 196,494,954	\$ 177,447,938	\$ 171,481,031
Fiscal Policy Guideline												
			\$ 804,248,021	\$ 765,872,846	\$ 711,958,011	\$ 653,823,228	\$ 620,648,770	\$ 602,805,240	\$ 586,390,153	\$ 608,767,779	\$ 669,803,069	\$ 672,827,552

(1) The *Code of Virginia* has no legal debt margin limit set on the Counties. However, Loudoun County's Fiscal Policy sets forth the following primary goals relating to debt capacity.

(2) Overlapping debt is not considered a general obligation of the County and, therefore is not reflected in the financial statements. Loudoun County's Fiscal Policy states that total overlapping debt should not exceed 1% of the total assessed value of taxable property within the County.

(3) Overlapping Debt for Loudoun Water, Virginia Revolving Loan Fund and Dulles Industrial Park Water and Sewer paid in full in FY16

**COUNTY OF LOUDOUN, VIRGINIA  
DEMOGRAPHIC STATISTICS**

<b>Year</b>	<b>Population (1)</b>	<b>Personal Income (2)</b>	<b>Per Capita Personal Income (3)</b>	<b>Unemployment Rate (4)</b>	<b>School Enrollment (5)</b>
2016	373,694	\$ 27,548,576,777	\$ 73,720	3.2%	76,263
2015	363,524	25,467,467,031	70,057	3.8%	73,461
2014	351,573	23,690,402,401	67,384	4.5%	70,858
2013	338,733	22,377,381,684	66,062	4.8%	68,289
2012	327,605	22,155,284,950	67,628	4.8%	65,668
2011	319,537	20,860,333,971	65,283	5.0%	63,220
2010	312,311	19,372,651,330	62,030	5.2%	60,096
2009	304,964	18,480,818,400	60,600	5.0%	57,009
2008	298,420	18,921,320,100	63,405	2.9%	54,047
2007	289,397	17,246,324,818	59,594	2.2%	50,478

**Sources:**

- (1) Loudoun County Department of Planning & Zoning, April 15, 2016 estimate series
- (2) Loudoun County Department of Management and Budget
- (3) Through 2014: U.S. Bureau of Economic Analysis, 11/22/2015 release; 2015-16 Department of Management and Budget estimates.
- (4) Virginia Employment Commission for the month of June. Prior year values reflect updates and revisions to labor force estimates.
- (5) Loudoun County Public Schools, for the end of September of the given fiscal year.

**COUNTY OF LOUDOUN, VIRGINIA**  
**PRINCIPAL EMPLOYERS**  
**Current Year and Nine Years Ago**

Employer	2016			2007		
	Rank	Number of Employees (1)	Percentage of Total County Employment (2)	Rank	Number of Employees (1)	Percentage of Total County Employment (2)
Loudoun County Public Schools	1	10,210	6.41%	1	7,468	5.88%
County of Loudoun	2	3,377	2.12%	3	1,000-5,000	2.36%
Verizon Business (formerly MCI Worldcom)	3	2,500-4,999	2.35%	4	1,000-5,000	2.36%
U.S. Department of Homeland Security	4	1,000-2,499	1.10%			
United Air Lines, Inc.	5	1,000-2,499	1.10%	5	1,000-5,000	2.36%
Inova Loudoun Hospital	6	1,000-2,499	1.10%		1,000-3,250	2.36%
Raytheon Company	7	1,000-2,499	1.10%			
Orbital ATK, Inc. (formerly Orbital Sciences Corpora	8	1,000-2,499	1.10%	10	1,000-5,000	2.36%
Swissport USA, Inc.	9	1,000-2,499	1.10%			
U.S. Postal Service	10	1,000-2,499	1.10%	7	1,000-5,000	2.36%
America Online				2	1,000-5,000	2.36%
M.C. Dean, Inc.				6	1,000-5,000	2.36%
Loudoun Hospital Center				8	1,000-5,000	2.36%
Toll Brothers, Inc.				9	1,000-5,000	2.36%
Totals			18.58%			29.48%

- (1) Virginia Employment Commission, 4th Quarter 2015 and 2006, Loudoun County Public Schools, and Loudoun County Department of Management and Financial Services.
- (2) Percentages are based on the midpoint of the employment range and average total Loudoun County employment of prior calendar year according to the Virginia Employment Commission.

**COUNTY OF LOUDOUN, VIRGINIA**  
**COUNTY GOVERNMENT EMPLOYEES BY FUNCTION**

**Full-time Equivalent Employees**

<b>Function/Program</b>	<b>as of June 30</b>									
	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
General Government Administration	401	405	370	352	372	372	379	348	352	339
Judicial Administration	137	132	132	130	132	128	128	126	128	128
Public Safety	1,567	1,494	1,421	1,409	1,407	1,294	1,294	1,294	1,331	1,322
Public Works	83	84	104	116	84	83	83	113	120	124
Health and Welfare	618	599	666	589	589	599	599	598	603	601
Parks, Recreation and Culture	631	625	595	605	605	570	570	572	573	573
Community Development	251	247	248	237	237	257	249	253	268	266
Total Primary Government	3,688	3,584	3,536	3,438	3,426	3,303	3,302	3,304	3,375	3,353
Education	10,210	9,822	9,638	9,671	9,663	10,098	9,838	10,533	9,309	8,844
Total Reporting Entity	13,898	13,406	13,746	13,109	13,089	13,401	13,140	13,837	12,684	12,197

**Source:** County of Loudoun Department of Management and Financial Services



TABLE P

**COUNTY OF LOUDOUN, VIRGINIA  
OPERATING INDICATORS BY FUNCTION**

Function	Fiscal Years									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>General Government Administration</b>										
County's bond ratings										
Moody's	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa
Standard and Poor's	AAA	AAA	AAA	AAA	AAA	AAA	AAA	AAA	AAA	AAA
Fitch	AAA	AAA	AAA	AAA	AAA	AAA	AAA	AAA	AAA	AAA
Major computer availability	99.95%	99%	99%	99%	100%	100%	100%	100%	100%	100%
<b>Judicial Administration</b>										
Number of Deed book recordings	62,418	63,854	59,982	88,743	62,250	65,745	64,312	61,946	65,951	87,922
<b>Public Safety</b>										
Sheriff's Office										
Average response time for emergency calls	9:54 min	9:15 min	9:14 min	9:21 min	9:00 min	6:05 min	9:28 min	8:69 min	8:04 min	8:12 min
Average response time for non-emergency calls	15:38 min	14:50 min	14:33 min	13:29 min	13:00 Min	10:20 min	13:35 min	14:21 min	11:89 min	10:24 min
Fire and Rescue Services										
Number of emergency medical incidents responded	20,101	19,425	18,356	17,984	17,067	18,133	16,060	15,888	16,381	16,204
<b>Health and Welfare</b>										
Number of senior meals provided	152,138	146,033	133,808	119,560	116,250	113,500	113,276	111,252	113,444	95,879
Number of vaccinations administered(a)	3,905	4,383	2,933	2,607	5,000	2,248	58,177	4,591	3,714	9,586
Number of Loudoun residents in the Medical Reserve Corps	1,382	1,379	1,365	1,306	1,300	1,100	1,189	900	816	700
<b>Parks, Recreation, and Culture</b>										
Annual park visits	669,422	817,301	843,039	783,742	660,144	567,415	541,358	775,928	849,462	637,443
Number of adults participating in adult sports leagues	9,233	5,968	5,604	5,228	6,125	5,279	6,934	10,124	10,386	9,871
Number of children participating in youth sports	52,763	52,251	51,746	51,659	49,189	83,370	63,680	62,075	87,985	86,700
<b>Community Development</b>										
Number of residential building permits (b)	3,109	4,056	4,276	4,302	3,236	2,679	2,073	2,314	2,401	2,490
Number of new structures completed after January 1st of tax year	891	863	1,890	1,556	1,402	1,067	1,360	1,260	4,332	3,109
Number of subdivision applications submitted	267	225	300	253	260	246	193	284	364	479
<b>Education</b>										
Per Pupil Expenditures	\$ 12,232	\$ 12,951	\$ 12,611	\$ 13,121	\$ 12,514	\$ 12,062	\$ 12,345	\$ 13,473	\$ 13,293	\$ 12,388
High School Completion Rate	95.90%	95.60%	95.20%	95.70%	95.30%	94.00%	95.95%	96.08%	95.27%	94.27%
Pupil-Teacher Ratio										
Kindergarten	23.0	22.0	22.0	24.0	24.0	24.0	24.0	23.0	22.0	22.0
Elementary	23.0	22.0	22.0	24.0	24.0	24.0	24.0	23.0	22.0	22.0
Intermediate/Middle	22.3	21.6	21.6	23.6	23.6	23.6	23.6	22.6	21.6	21.6
High	24.8	25.9	25.9	27.9	27.9	27.9	27.9	26.9	25.9	25.9
SAT Scores										
Math	546	541	541	539	535	532	536	535	531	527
Critical reading	544	543	543	539	531	536	535	533	525	522
Writing	527	528	527	528	524	524	526	525	519	511
Total	1,617	1,612	1,611	1,606	1,590	1,592	1,597	1,593	1,575	1,560

Source: County of Loudoun Department of Management and Financial Services and Loudoun County Public Schools

Notes: (a) FY2010 includes H1N1 (Swine Flu) vaccinations; beginning in FY13, numbers shown are vaccine visits, prior years are number of vaccines  
(b) Starting FY2014, all figures shown are for fiscal year. Data through FY2013 were for calendar years.

**COUNTY OF LOUDOUN, VIRGINIA**  
**CAPITAL ASSETS STATISTICS BY FUNCTION**

Function	Fiscal Years									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>General Government Administration (1)</b>										
Square footage of office space - Owned (a)	425,737	596,677	504,846	504,846	485,138	427,665	297,321	297,321	297,321	297,321
Square footage of office space - Leased (a)	138,256	149,770	149,770	155,923	222,539	257,289	261,633	250,412	225,826	192,471
Square footage of court space	187,211	187,211	187,211	187,211	187,211	187,211	171,309	169,709	165,783	159,255
<b>Public Safety (1)</b>										
Police										
Sheriff stations	4	4	4	4	4	4	4	3	3	2
Jail capacity	460	460	460	460	460	220	220	220	220	220
Square footage of jail	212,000	212,000	212,000	212,000	212,000	114,924	114,924	87,850	87,850	87,850
Fire and Rescue										
Fire and Rescue stations	19	20	20	20	20	19	19	18	19	18
Other protections										
Animal shelters	1	1	1	1	1	1	1	1	1	1
<b>Public Works (1)</b>										
Transportation										
Commuter buses	74	65	57	52	50	47	45	38	35	33
<b>Health and Welfare (1)</b>										
Mental Health and Developmental Services										
Group homes - Mental Health	12	12	12	12	12	12	11	11	11	11
Group homes - Developmental Services	7	7	7	7	7	7	7	7	7	7
Family Services										
Homeless shelters	1	1	1	1	1	1	1	1	1	1
Transition shelters	1	1	1	1	1	1	1	1	1	1
Youth shelters	2	2	2	2	2	1	1	1	1	1
<b>Parks, Recreation and Culture (1)</b>										
Libraries	9	8	8	8	7	7	7	7	7	7
Square footage of libraries	170,060	175,260	162,088	162,088	122,088	127,920	123,200	108,200	108,200	107,600
Parks and Recreation Facilities										
Regional parks	3	3	3	3	3	3	2	2	2	2
District parks	3	3	3	3	3	3	3	3	2	2
Community parks	8	8	19	19	19	12	12	10	5	4
Neighborhood parks	31	22	-	-	-	-	-	-	-	-
Acres of parks	3,349	3,580	3,580	3,580	3,580	3,316	3,316	2,965	2,746	2,746
Recreation Center	1	1	1	1	1	1	1	1	1	-
Square Footage of recreation center	84,209	84,209	84,209	84,209	84,209	84,209	84,209	84,209	84,209	-
Community Centers	9	9	9	9	9	7	7	7	10	11
Square Footage of community centers	92,696	92,696	92,696	92,696	92,696	76,274	76,274	76,274	99,445	96,644
Respite centers	3	3	3	3	3	2	2	2	2	2
Senior citizen centers	3	3	3	3	3	2	2	2	2	2
<b>Community Development (1)</b>										
Landfill										
Landfills	1	1	1	1	1	1	1	1	1	1
Recycling drop-off centers	9	9	9	9	9	9	9	9	9	9
<b>Education (2)</b>										
Elementary Schools										
Buildings	56	56	55	53	52	52	51	50	47	44
Square footage	4,093,488	4,093,488	3,991,121	3,790,191	3,689,714	3,690,349	3,588,208	3,497,213	3,227,060	2,919,888
Capacity	39,111	38,163	37,139	35,288	33,297	33,070	32,318	31,731	29,299	26,598
Middle Schools										
Buildings	15	15	14	14	14	13	13	13	13	12
Square footage	2,418,083	2,418,083	2,231,569	2,231,569	2,231,569	2,056,399	2,056,399	2,029,747	2,029,747	1,860,987
Capacity	18,144	16,956	16,711	16,566	16,731	15,346	15,476	15,403	15,300	13,419
High Schools										
Buildings	15	14	13	13	12	12	10	10	10	11
Square footage	3,766,798	3,463,864	3,146,799	3,146,799	2,872,612	2,874,190	2,342,849	2,342,849	2,342,849	2,406,968
Capacity	24,629	22,212	20,639	20,607	18,741	18,723	15,118	15,206	15,257	15,161
Alternative Schools										
Buildings	2	2	2	2	2	2	2	2	2	1
Square footage	127,071	123,771	123,771	123,771	123,771	124,862	124,862	124,862	124,862	47,022
School Buses	814	859	880	854	854	840	780	731	742	744

Sources: (1) Loudoun County Department of Transportation and Capital Infrastructure

(2) Loudoun County Public Schools CAFR

Notes: (a) Beginning in FY16, the square footage shown is office space only, prior years included warehouse and storage space.



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1 Harrison Street, SE, #41D

PO Box 7000

Leesburg, VA 20177

703-777-0290

[www.loudoun.gov](http://www.loudoun.gov)