

LOUDOUN COUNTY, VIRGINIA

Comprehensive Annual Financial Report

Year ended June 30, 2017





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COUNTY OF LOUDOUN, VIRGINIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended

June 30, 2017



Prepared by:

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

Janet Romanchyk, Director of Finance & Procurement
Lisa W. Cockrell, Interim Controller



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COUNTY OF LOUDOUN, VIRGINIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2017

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Introductory Section



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 an overview of the County.



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Loudoun County, Virginia

www.loudoun.gov

Office of the County Administrator

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November 28, 2017

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 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, 2017.

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 2017, 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 2017 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 as a result, updating the County's Comprehensive Plan. The Board continues 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 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 2016, Loudoun was the 20th fastest growing county in the nation and number seven among counties with populations over 100,000.

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 2017, the County adopted a fiscal year 2018 budget that resulted in an overall increase of \$29.1 million in the general county government and an \$85.8 million addition in the school operating fund as compared to fiscal year 2017 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,



Tim Hemstreet
County Administrator



Loudoun County, Virginia

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

November 28, 2017

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, 2017, 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.

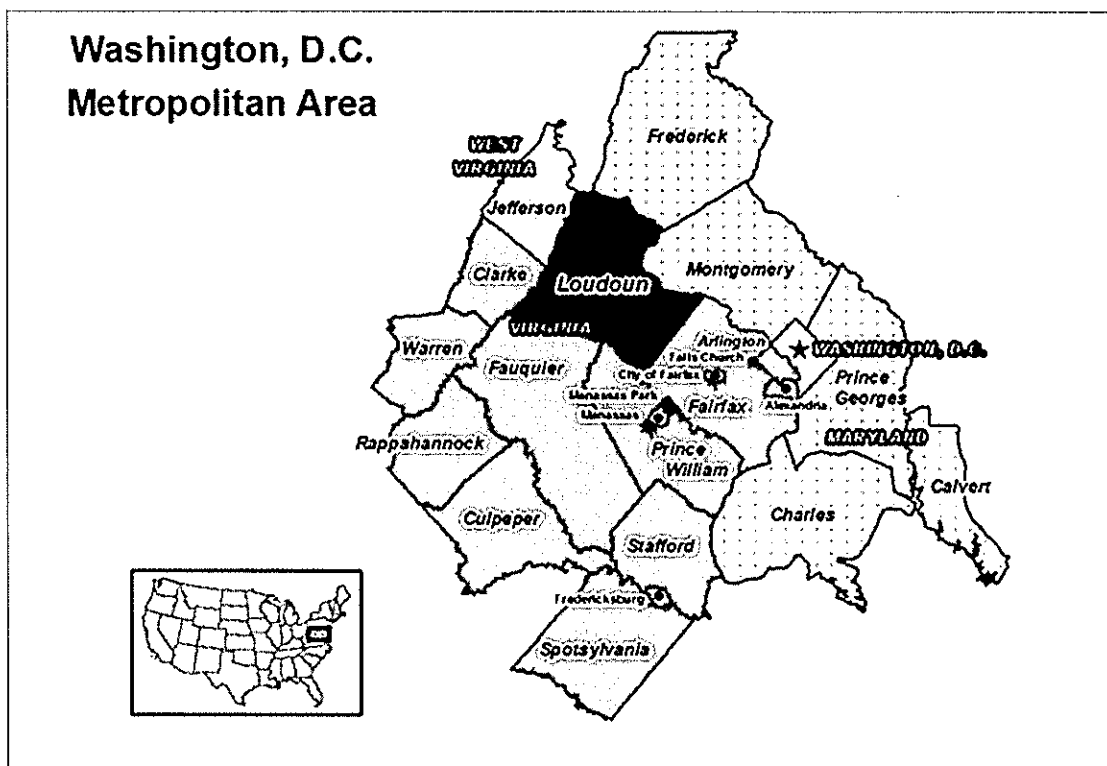
The data as presented is accurate in all material respects, is presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of our various funds, and all disclosures necessary to enable the reader to understand 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.

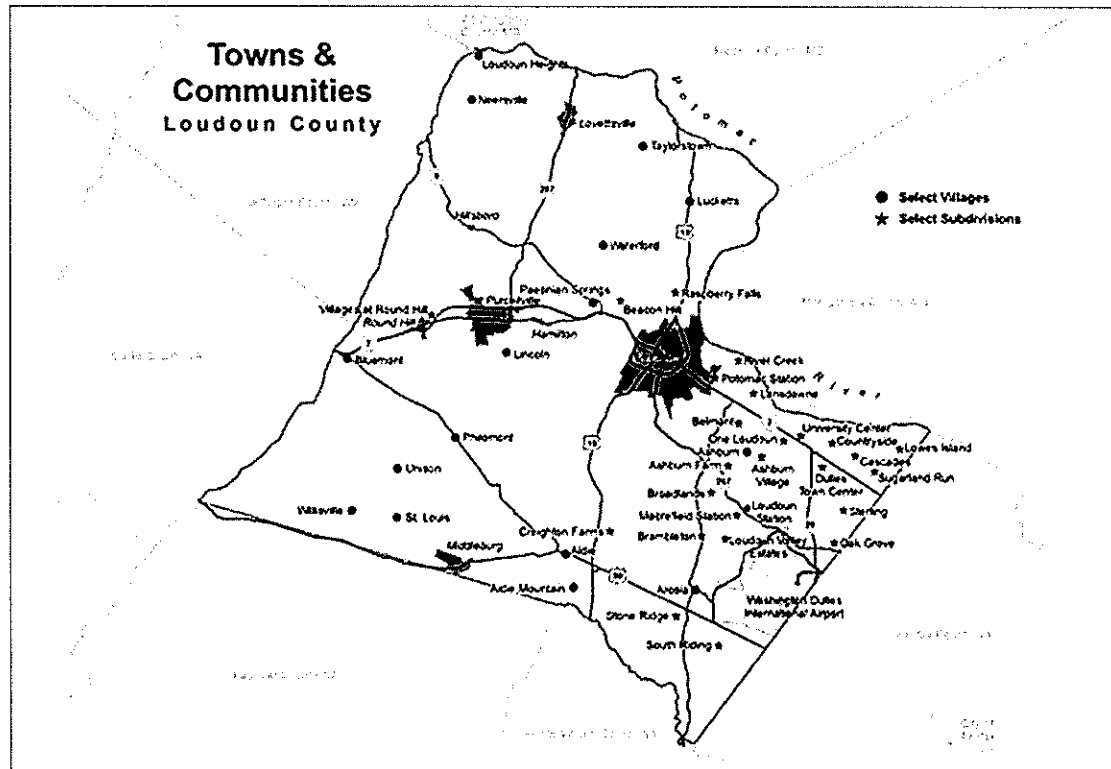
Virginia statute, Section 15.2-2511 of the *Code of Virginia*, requires an annual audit be performed by independent certified public accountants in conformity with GAAP. The accounting firm of Cherry Bekaert LLP was selected by the County's Board of Supervisors to perform the annual financial and compliance 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, 2017.

GAAP requires 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, 2017 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 Budget 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 Budget. 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. Loudoun continues to rank among the fastest growing counties in the nation. With an estimated 2017 population of 383,948, this represents a 22.9% increase since 2010. 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. According to a study announced in April of 2017 by the Virginia Secretary of Agriculture and Forestry, Northern Virginia generates the most agri-tourism revenue of all 10 state regions, contributing more than \$552 million to Virginia's \$2.2 billion agri-tourism industry; with Loudoun County farm businesses making up 51% of Northern Virginia's agri-tourism venues researched for the report. The County's Rural Economy Business Development



Strategy; approved by the Board of Supervisors in 2013, has made significant progress on eight of the nine major strategies including, rural business accelerator, equestrian industry enhancements, peer-to-peer network, re-design of the Loudounfarms.org website, development of a Loudoun County Trails Association, improving marketing, brand creation and year-round farmers market. Alongside this thriving rural economy are commercial development and small businesses which are key components of Loudoun's economy. Loudoun's mixed-used developments, including One Loudoun and Loudoun Station are developing into dynamic live, work, and play spaces. These developments are becoming the backbone for Loudoun's growing entertainment and retail offerings, providing national entertainment attractions like TopGolf, Alamo Drafthouse and iFly. On the small business side, 86% of Loudoun's businesses have fewer than 20 employees. This segment of the economy has the greatest potential for growth, and is illustrated by the presence of 25 Loudoun businesses currently listed on Inc. Magazine's annual listing of fastest growing companies, representing a 79% increase since the 2013 publication. To support the growth of small businesses in the County, Loudoun has focused on creating entrepreneurial ecosystems and partnering with small business "incubators" to assist start-up companies and connect them with resources. 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.

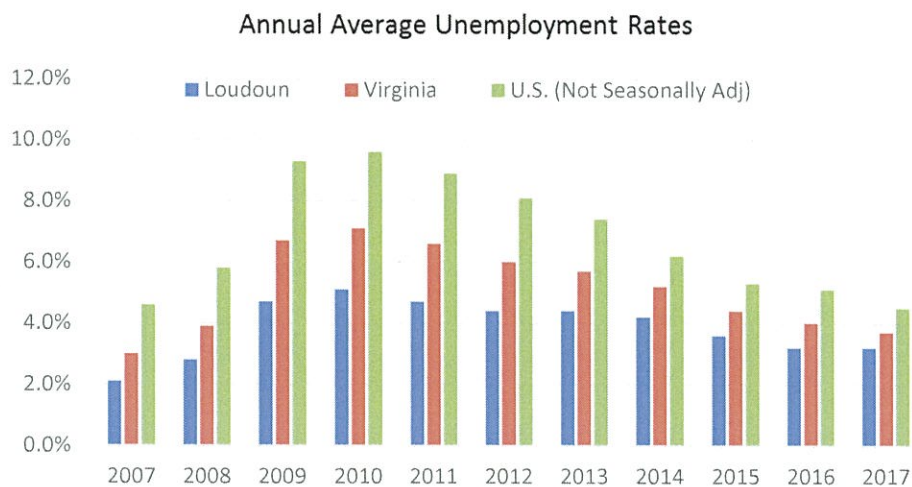
Loudoun's economic success continued in calendar year 2016. The number of new residential dwelling units permitted remained strong, exceeding 3,200. More than 4.2 million square feet of private-sector, non-residential space was permitted for construction of which 2.4 million square feet was attributable to data center space. In addition, the assessed values of both real and personal property continued to increase during 2016. Fiscal year 2017 is the fifth consecutive year in which personal property tax revenue on computer equipment, which came in just over \$150 million, increased by more than 20 percent over the previous year.

In fiscal year 2017, Economic Development successfully worked with more than 100 businesses that moved to or expanded in the County. Those businesses invested a combined total \$3.3 billion in Loudoun and 3,167 jobs recruited or retained. The companies that moved to or expanded in

the County during FY 2017 represent a wide range of industries including cyber security, health IT, aviation and aerospace, data centers, craft beverage producers, and other IT organizations. Additional information on the County's FY 2017 economic development activities can be found in the annual report online at <https://biz.loudoun.gov/annualreport/>.

The construction of the Metro Silver Line into Loudoun remains a driver for economic development opportunities. In the area around the future Ashburn and Loudoun Gateway stations, referred to as the Silver-Line Planning Area, the Department of Economic Development is marketing mixed-used transit-oriented communities including Loudoun Station, Gramercy District, Moorefield Station, and Washington Dulles Gateway.

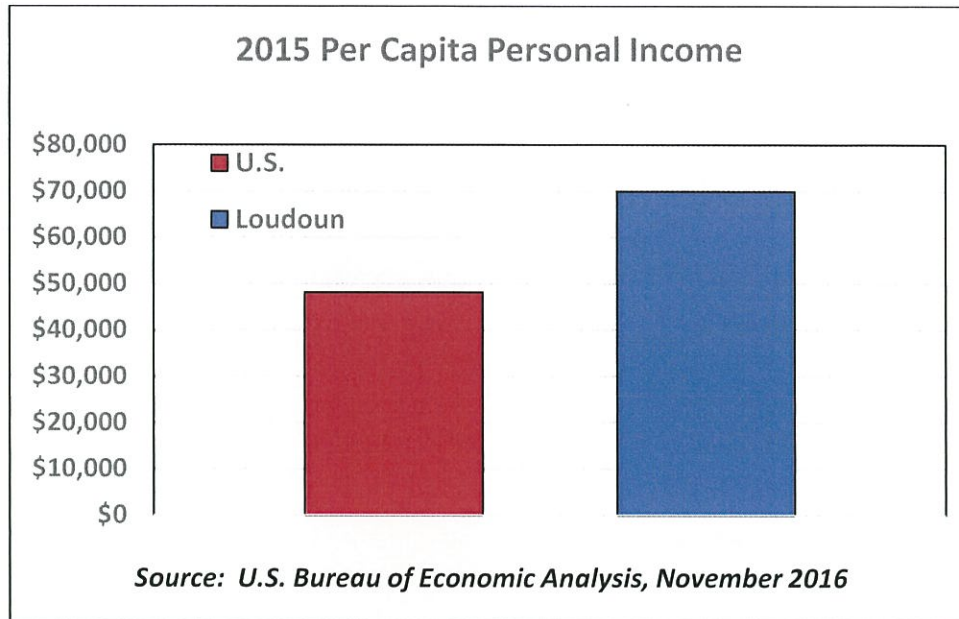
In addition to all of these diverse factors, Loudoun's unemployment rate continues to be consistently lower than the national average, as shown in the chart below. The unemployment rate for Loudoun County remained low at 3.2 percent as of June 2017, significantly lower than the corresponding U.S. unemployment rate of 4.5 percent.



Source: U.S. Bureau of Labor Statistics, Month, Year

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 2016 American Community Survey 1-Year Estimates reported Loudoun's median household income to be \$134,464, more than twice the nationwide median of \$57,617. 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 (\$69,895) with the U.S. average (\$48,112).



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 2017, Loudoun County Public Schools had an on-time graduation rate of 95.5 percent, compared to the state average of 91.1 percent (ranked 18th out of 131 school divisions), as reported by the Virginia Department of Education. The On-Time Graduation Rate calculates the percentage of students who complete high school within four years. Of Loudoun's 5,419 graduates, 70 percent achieved an Advanced Studies Diploma; statewide, 52.2 percent earned this rigorous diploma. One new elementary school opened in fall 2016 for the 2016-2017 school year.

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 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. The Board was unable to reach an agreement 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 the spring of 2017, a design-build contract was awarded to S.B. Ballard Construction Company.



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 segments of Moorefield Boulevard and Mooreview Parkway, Prentice Drive, Sterling Boulevard Extension, and the Route 772 Transit Station Connector Bridge.

The County has been actively engaged in a Silver Line Area Comprehensive Plan Amendment process to address the existing planned land uses around and between the future Metrorail stations to ensure that Loudoun strikes the desired balance between four goals: 1) prompt realization of tax revenues to support future Metrorail operations, 2) maximizing future employment generation, 3) achieving the desired land use pattern, and 4) minimizing demands on the County's transportation infrastructure. In order to achieve these goals, the following will need to be accomplished: ensure appropriate transit-oriented mixed-use development which are fiscally positive and designed to accommodate the development of higher density uses, concentrating new job opportunities in compact, walkable activity centers near the Metrorail stations, and concentrating the highest densities in mixed-use communities near the Metrorail stations, preserving parks and open space, allowing for innovative land use patterns, creating abundant opportunities for amenities and entertainment, and providing numerous efficient transportation options. In the spring of 2017, the Board of Supervisors voted to refer the Silver Line Comprehensive Plan Amendment to the Envision Loudoun process for continued study and ultimate inclusion in an updated countywide comprehensive plan.



Envision Loudoun is an eighteen-month initiative to address growth, land use, transportation, community facilities and amenities, economic development and fiscal management in the County which 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. A Stakeholders Committee composed of various citizens and representatives of key stakeholder groups within the County, was established during FY 2016 and 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. The initiative is made up of five phases: Phase 1 – Foundation, Phase 2 – Vision, Phase 3 – Explore, Phase 4 – Plan, and Phase 5 – Review and Adopt. During FY 2017, Phases 1 through 3 were completed, which consisted of a series of "Listening & Learning" and "Envision the Future" workshops. Work on the plan will continue on through the spring of 2018. More information can be found on the Envision Loudoun website <http://www.envision-loudoun.org/>.

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. At its September 2016 strategic planning retreat, the Board of Supervisors re-affirmed transportation as one of their strategic focus areas. Transportation projects consist of nearly 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. The County receives local and regional funds from the Northern Virginia Transportation Authority (NVTa) as authorized by House Bill (HB) 2313, in addition to other funding including proffers, and state and federal grants. 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. As of FY 2017, there were 44 active transportation projects in various phases of design and construction, including Alder School Road Improvements, various Intersection and Interchange Improvements, Claiborne Parkway, and two segments at Northstar Boulevard.

Many public safety and parks and recreation projects are in development such as, a new Animal Services Facility, several new and replacement fire and rescue stations, the construction and renovation of the Courts Complex, Dulles South Recreation and Community Center, and the Ashburn Recreation and Community Center.

County projects completed in FY 2017 include: Belmont Ridge Road at Truro Parish Drive Intersection, Gloucester Parkway/ Smith Switch Road/Ashby Ponds Boulevard Intersection, Northstar Boulevard and Ryan Road Intersection, Tall Cedars Parkway and Poland Road Intersection, Woods Road, Western Loudoun Sheriff Station, Sterling Area Sidewalks, Stone Ridge Park and Ride Lot, and Sterling Library.

In addition to construction costs, the County must plan for the 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.

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, 2016. 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.

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

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.

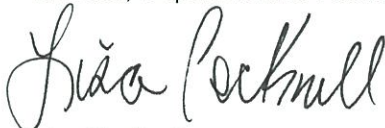
The timely preparation of this Comprehensive Annual Financial Report could not have been accomplished without the effort of the entire staff of this Department's Division of Accounting and Analysis within the Controller's Office. Special recognition goes to Interim Controller, Lisa Cockrell and to the 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 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,



Janet Romanchyk
Director, Department of Finance and Procurement



Lisa Cockrell
Interim Controller



Government Finance Officers Association

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

Presented to

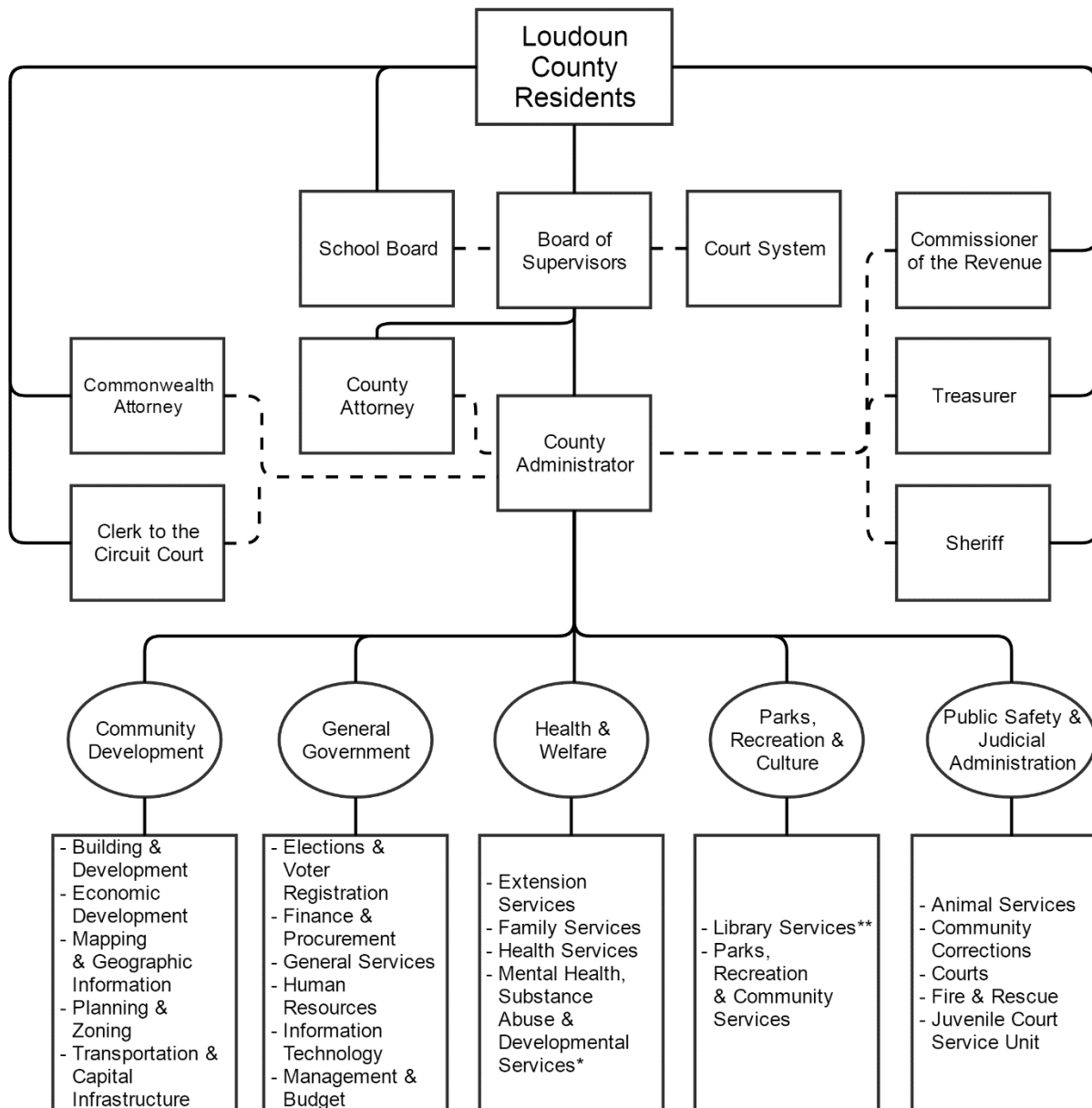
**County of Loudoun
Virginia**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

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, 2017

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

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

CONSTITUTIONAL OFFICERS

Gary M. Clemens, Clerk of Circuit Court
Robert S. Wertz, Commissioner of Revenue
James E. Plowman, Commonwealth's Attorney
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
Kenny Young, Assistant County Administrator
Leo P. Rogers, County Attorney

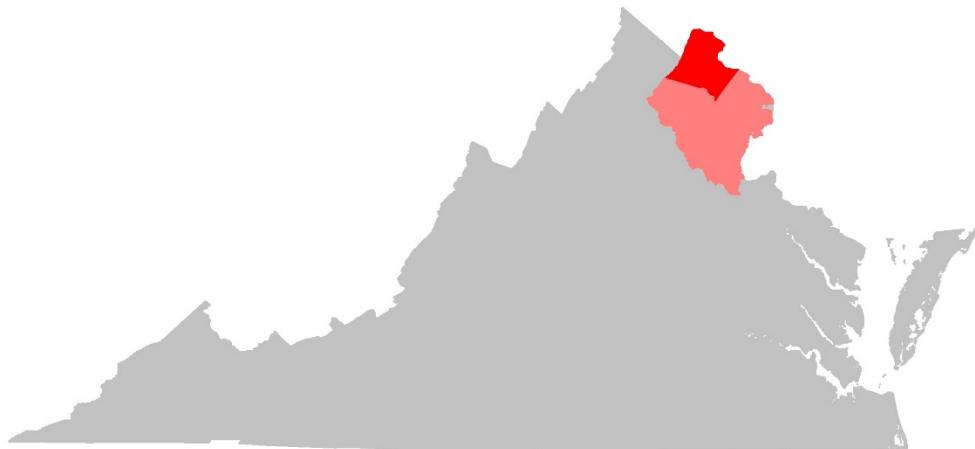
COUNTY OF LOUDOUN

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 392,711 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



Dulles Airport

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



Animal Services Officers with Bird



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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, 2017, 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, 2017, 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 Note XXII to the financial statements, the net position of the governmental activities and the fund balance of the nonmajor governmental funds as of June 30, 2016 have been restated from the previously issued financial statements to reflect the correction of an error. Our opinions are not modified with respect to this matter.

As discussed in Note XXII 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 Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*, effective July 1, 2016. As a result, related net position as of June 30, 2016 has 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 and the required supplementary information, as listed in the table of contents, 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 28, 2017, 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 28, 2017

Management's Discussion and Analysis



Construction of Interchange at Ashburn Village Parkway and Rt. 7



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COUNTY OF LOUDOUN, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2017

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, 2017. 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 2017

The total reporting entity, which includes the School Board component unit, has positive net position of \$1.69 billion at June 30, 2017, which represents a 13.4% increase over FY 2016 net position, as restated. (Exhibit I).

On a government-wide basis, the County's Governmental Activities had expenses net of program revenues of \$1.34 billion, general revenues of \$1.46 billion, resulting in an increase in net position of \$122.7 million over FY 2016. (Exhibit II)

As of June 30, 2017, the County's total governmental funds reported combined fund balances of \$994.6 million, an increase of \$126.3 million over FY 2016, as restated. Approximately 52.4%, or \$521.4 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 \$68.5 million was 20.3% of total General Fund balance compared to 19.5% 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 \$66.2 million. General fund expenditure savings totaled \$32.1 million compared to final budget expectations. (Exhibit XIII)

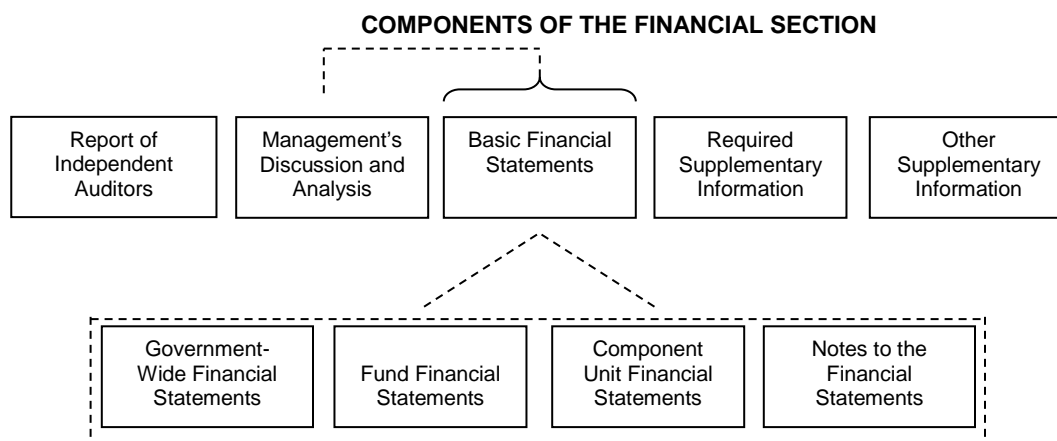
In November 2016, the County sold \$60.9 million of Public Facility Lease Revenue Bonds, Series 2016B, to provide funding for the acquisition, design, construction and equipping of ongoing and new projects for public safety facilities, transportation, government office space, computer system upgrades and landfill projects.

During June 2017, the County sold \$108.7 million in General Obligation Bonds, Series 2017A. The new proceeds provided funding for the design, construction, renovating and equipping a variety of school facilities, public safety facilities, park and recreation facilities, and transportation projects.

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' other postemployment benefits plan. 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, 2017 and 2016 (thousands)

	Primary Government			Component Unit-Schools		
	FY 17	FY 16 Restated	Increase/ (Decrease)	FY 17	FY 16	Increase/ (Decrease)
Current and Other Assets	\$ 1,975,149	\$ 1,749,401	\$ 225,748	\$ 290,951	\$ 273,227	\$ 17,724
Capital Assets	1,303,344	1,201,001	102,343	1,699,197	1,608,718	90,479
Total Assets	\$ 3,278,493	\$ 2,950,402	\$ 328,091	\$ 1,990,148	\$ 1,881,945	\$ 108,203
Total Deferred Outflows of Resources	\$ 41,528	\$ 25,998	\$ 15,530	\$ 196,123	\$ 117,749	\$ 78,374
Other Liabilities	\$ 350,644	\$ 306,652	\$ 43,992	\$ 136,811	\$ 124,403	\$ 12,408
Long-term Liabilities	1,616,751	1,476,115	140,636	1,101,394	969,123	132,271
Total Liabilities	\$ 1,967,395	\$ 1,782,767	\$ 184,628	\$ 1,238,205	\$ 1,093,526	\$ 144,679
Total Deferred Inflows of Resources	\$ 582,048	\$ 545,797	\$ 36,251	\$ 30,546	\$ 66,010	\$ (35,464)
Net Position						
Net Investment in Capital Assets	\$ 1,106,888	\$ 996,818	\$ 110,070	\$ 1,634,288	\$ 1,583,600	\$ 50,688
Restricted	318,367	318,361	6	1,852	3,381	(1,529)
Unrestricted	(654,676)	(667,343)	12,667	(718,620)	(746,822)	28,202
Total Net Position	\$ 770,579	\$ 647,836	\$ 122,743	\$ 917,520	\$ 840,159	\$ 77,361

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 \$179.7 million. Contributing to the increase in cash are unspent bond proceeds of \$24.1 million, an increase in cash due to higher property and other local tax collections, and an increase of interest on investments. Net receivables increased by \$46.1 million, primarily due to taxes not yet due. The increase of \$102.3 million of net Capital Assets is due to increases in

the projects under construction, donations of land, and the addition of buildings, equipment and infrastructure offset by depreciation. Deferred outflows of resources increased due to the net increase between projected and actual earnings on pension plan investments. The increase in Long-term Liabilities is due primarily to new debt issued in 2017, the drawdown of the County's federal Transportation Infrastructure Finance and Innovation Act (TIFIA) loan for the Metrorail extension and the net pension liability offset by a reduction in the County's OPEB obligation. Please refer to Notes VIII, XI, XIII, and XIV of the notes to the financial statements for detailed information. Other Liabilities increased \$43.9 million, which is primarily the result of an increase in the amount Due to Component Unit-Schools and in accounts payable, 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 and an increase in prepaid taxes offset by a reduction in the gain on pension investments and the amortization of deferred gain on refunding debt.

The increase in the component unit-schools' Current and Other Assets of \$17.7 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 increases in the projects under constructions and the addition of new buildings, offset by depreciation. 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 \$131.2 million. The increases in deferred outflows of resources and the decreases in deferred inflows of resources are due to the deferral of amounts related to pensions.

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, 2017 and 2016 (thousands)

	Primary Government			Component Unit-Schools		
	FY 17	FY 16	Increase/ (Decrease)	FY 17	FY 16	Increase/ (Decrease)
REVENUES						
<u>Program Revenues:</u>						
Charges for Services	\$ 77,772	\$ 71,277	\$ 6,495	\$ 21,572	\$ 19,252	\$ 2,320
Operating Grants and Contributions	88,333	103,483	(15,150)	39,167	30,718	8,449
Capital Grants and Contributions	59,876	48,214	11,662	112,117	106,240	5,877
<u>General Revenues:</u>						
Property Taxes	1,138,369	1,053,831	84,538	-	-	-
Other Taxes	212,559	173,957	38,602	-	-	-
Grants and Contributions not Restricted to Specific Programs	57,865	57,189	676	317,040	289,710	27,330
Other	25,821	25,456	365	5,862	7,146	(1,284)
Payment from Component Unit	28,417	-	28,417	-	-	-
Payment from Primary Government	-	-	-	692,138	679,459	12,679
Total Revenues	\$ 1,689,012	\$ 1,533,407	\$ 155,605	\$ 1,187,896	\$ 1,132,525	\$ 55,371
EXPENSES						
General Government Administration	\$ 90,831	\$ 78,873	\$ 11,958	\$ -	\$ -	\$ -
Judicial Administration	14,467	15,514	(1,047)	-	-	-
Public Safety	187,137	190,280	(3,143)	-	-	-
Public Works	53,723	47,130	6,593	-	-	-
Health and Welfare	94,719	92,464	2,255	-	-	-
Parks, Recreation and Culture	58,407	69,415	(11,008)	-	-	-
Community Development	195,159	176,054	19,105	-	-	-
Education	833,514	775,002	58,512	1,110,535	1,003,389	107,146
Interest and Other Debt Service Charges	38,312	36,695	1,617	-	-	-
Total Expenses	\$ 1,566,269	\$ 1,481,427	\$ 84,842	\$ 1,110,535	\$ 1,003,389	\$ 107,146
Change in Net Position	\$ 122,743	\$ 51,980	\$ 70,763	\$ 77,361	\$ 129,136	\$ (51,775)
Net Position at Beginning of Year	647,836	649,941	(2,105)	840,159	711,023	129,136
Prior Period Adjustments, Note XXII	-	(54,085)	54,085	-	-	-
Net Position Beginning of Year, Restated	647,836	595,856	51,980	840,159	711,023	129,136
Net Position End of Year	\$ 770,579	\$ 647,836	\$ 122,743	\$ 917,520	\$ 840,159	\$ 77,361

Revenues

For the fiscal year ended June 30, 2017, the Primary Government revenues totaled approximately \$1.689 billion, an increase of \$155.6 million from the prior fiscal year.

Property tax revenue, the County's largest revenue source, increased by approximately \$84.5 million from the prior fiscal year due to increases in real property taxes; personal property taxes due to higher vehicle values; computer equipment taxes 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 increase in other local taxes is primarily due to receiving reimbursement for costs related to the Belmont Ridge Road and Rt. 7 interchange from Northern Virginia Transportation Authority in addition to nominal increases in bank franchise taxes, recordation taxes, business license taxes, and sales and use taxes. The increase in capital grants and contributions is due to the pass-through of state funds for road and interchange construction offset by lower stormwater proffers from developers. The decrease in operating grants and contributions is due to lower cash proffers from developers. The increase in payment from component unit is due to the return of excess fund balance from the component unit self-insurance fund.

Expenses

For the fiscal year ended June 30, 2017, expenses for governmental activities total \$1.566 billion.

Education continues to be one of the County's highest priorities and commitments. Of the total expenses, \$833.5 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 2017 increased by \$58.5 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 with a nominal increase in 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 \$19.1 million is primarily due to an increase in payments related to the Metrorail construction and road construction projects. The increase in general government administration is primarily due to increases in contractual services related to the implementation of the payroll and human resources modules of the enterprise resource planning system and an increase in the legal contingency resulting from a large decrease in the prior year. The decrease in Parks, Recreation and Culture is due to a donation of park land to the Northern Virginia Regional Park Authority for a western Loudoun State Park in fiscal year 2016, which resulted in a loss on sale of capital assets. The remaining increase of \$62.8 million for primary government expenses is due to 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, 2017, the governmental funds reflect a combined fund balance of \$994.6 million as illustrated below (refer to Exhibit III).

Table 3
Governmental Funds
Financial Analysis of Fund Balance

	Fiscal Year 2017				
	General	Capital Projects	Debt Service	Non-Major Governmental	Total
Non-Spendable	\$ 1,409,235	\$ -	\$ -	\$ 180,365	\$ 1,589,600
Restricted	-	283,099,796	-	188,507,536	471,607,332
Committed	212,953,184	115,401,622	-	15,190,460	343,545,266
Assigned	54,776,969	8,366,730	42,873,402	3,288,041	109,305,142
Unassigned	68,520,205	-	-	-	68,520,205
Total Fund Balances	\$ 337,659,593	\$ 406,868,148	\$ 42,873,402	\$ 207,166,402	\$ 994,567,545

The General Fund balance increased \$51.3 million from the prior fiscal year. 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 2017, the fiscal reserve increased by \$16.1 million.

The Capital Projects fund balance increased \$56.9 million from the prior fiscal year. This increase is primarily attributable to the transfer of resources from the General, Transportation District and Public Facilities Funds for ongoing capital projects, higher intergovernmental revenues for road projects, and unspent bond proceeds.

Debt Service fund balance increased by \$2.3 million from the prior year resulting from lower than anticipated debt service due to the delay of some projects and the return of unspent bond proceeds.

Non-major Governmental fund balances increased by \$15.7 million from the prior fiscal year. This increase is attributable to receiving reimbursement for costs related to the Belmont Ridge Road and Rt. 7 interchange from Northern Virginia Transportation Authority offset by lower contributions from developers.

General Fund Budgetary Highlights

Table 4
General Fund Budget to Actual

	Fiscal Year 2017			
	Original Budget	Amended Budget	Actual	Variance Positive / (Negative)
<u>Revenues and Transfers In:</u>				
Taxes	\$ 1,210,551,330	\$ 1,210,565,130	\$ 1,275,405,925	\$ 64,840,795
Intergovernmental	89,343,599	98,371,076	94,057,037	(4,314,039)
Other	87,204,040	117,857,812	123,496,114	5,638,302
Total Revenues and Transfers In	\$ 1,387,098,969	\$ 1,426,794,018	\$ 1,492,959,076	\$ 66,165,058
<u>Expenditures and Transfers Out:</u>				
Expenditures	\$ 1,189,546,313	\$ 1,224,917,181	\$ 1,193,338,169	\$ 31,579,012
Transfers	224,589,703	248,831,909	248,291,982	539,927
Total Expenditures and Transfers Out	\$ 1,414,136,016	\$ 1,473,749,090	\$ 1,441,630,151	\$ 32,118,939

The final amended budget for revenues and transfers in exceeded the original budget by \$39.7 million. This was primarily due to the transfer of excess fund balance from the component unit-schools, and anticipation of greater charges for services and grant funding from the state and federal government. The final amended budget appropriations, which include expenditures and transfers out, exceeded the original budget by \$59.6 million. This was primarily due to the re-appropriation of 2016 unassigned fund balance and 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.

Actual revenues and transfers in exceeded amended budget amounts by \$66.2 million while actual expenditures and transfers out were less than the amended budget amounts by \$32.1 million. Highlights of the comparison of amended budget to actual figures for the fiscal year ended June 30, 2017, include the following:

- Actual tax revenues exceeded amended budget amounts by \$64.8 million. Increases in personal property taxes of \$45.1 million, penalties and interest of \$7.8 million, bank franchise taxes of \$5.8 million and local sales and use tax of \$3.7 million were offset by a small decrease real property taxes of \$3.0 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 exceeded the amended budget amounts by \$1.3 million due to increases in use of money and property of \$4.2 million and additional revenue in permits and licenses of \$1.4 million, offset by decreases of intergovernmental revenue of \$4.3 million and modest variances in other revenues.
- Actual expenditures and transfers were \$32.1 million less than amended budget amounts or 2.2%.
- General Government Administration expenditures exceeded the final budget by \$4.6 million due to vacancy savings realized departmentally yet budgeted in non-departmental, offset by general government administration vacancy savings, savings due to unrealized repair, maintenance, and rent costs, and savings in contractual services.
- Public safety expenditures were below budget by \$12.2 million due to vacancy savings, lower than budgeted internal service charges for vehicle fuel and maintenance, unspent grant funds, and overall savings in materials, supplies, utilities, and contractual services.

- Expenditures in health and welfare were \$10.4 million less than budget due primarily to vacancies, contractual service savings, and unspent grant funds offset by higher than expected rent and utilities.
- Expenditures in Parks, Recreation and Cultural were \$5.0 million less than final budget due to vacancy savings, savings in utilities and fuel, and savings in contractual services.
- Expenditures in Community Development were \$5.2 million less than final budget due to vacancy savings, savings in contractual services, and unused economic development incentive funds carried into fiscal 2018.
- 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 2017, the Primary Government had invested approximately \$1.3 billion in a variety of capital assets as reflected in the following schedule, which represents a net increase of \$102.3 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**

	Balance At June 30, 2016	Net Additions/Deletions	Balance At June 30, 2017
<u>Capital Assets:</u>			
Land	\$ 146,815,497	\$ 23,875,618	\$ 170,691,115
Buildings	459,848,585	16,210,831	476,059,416
Improvements Other Than Buildings	49,540,402	13,838,529	63,378,931
Equipment	185,955,031	32,710,001	218,665,032
Infrastructure	612,763,840	23,340,797	636,104,637
Construction in Progress	96,484,495	27,071,841	123,556,336
Accumulated Depreciation	(350,406,788)	(34,704,187)	(385,110,975)
Total Capital Assets, Net of Accumulated Depreciation	\$ 1,201,001,062	\$ 102,343,430	\$ 1,303,344,492

The Component Unit-Schools capital assets reflected in the following table totaled \$1.7 billion, which represents a net increase of \$90.5 million.

**Table 6
Schools
Change in Capital Assets**

	Balance At June 30, 2016	Net Additions/Deletions	Balance At June 30, 2017
<u>Capital Assets:</u>			
Land	\$ 148,309,740	\$ 1,548,891	\$ 149,858,631
Buildings	1,754,875,266	58,827,615	1,813,702,881
Improvements Other Than Buildings	4,291,391	1,243,312	5,534,703
Equipment	132,911,723	554,457	133,466,180
Construction in Progress	84,162,499	63,575,402	147,737,901
Infrastructure	1,121	-	1,121
Accumulated Depreciation	(515,833,639)	(35,270,756)	(551,104,395)
Total Capital Assets, Net of Accumulated Depreciation	\$ 1,608,718,101	\$ 90,478,921	\$ 1,699,197,022

During the fiscal year 2018 budget process, the County adopted an amended six-year Capital Improvement Program (CIP) that totals \$2.0 billion, with school construction and renovation projects totaling \$639.8 million, transportation projects totaling \$804.5 million and county construction projects totaling \$589.4 million. Funding for the FY 2018 adopted CIP increased approximately \$237.2 million from the FY 2017 adopted CIP primarily due to additional funding for school projects totaling \$98.4 million, and transportation projects totaling \$81.8 million. The \$2.0 billion Amended FY 2017-FY2022 plan is principally funded with \$293.6 million in local tax funding, \$90.0 million in proffers, \$498.5 million in grants and \$1.147 billion funded with long term debt.

The CIP includes elementary school projects including, new schools, as well as classroom additions totaling \$207.3 million; one new middle school for \$57.8 million; high school projects including new schools and renovations to existing schools totaling \$319.2 million; and other school projects including, the installation of artificial turf fields and track resurfacing at four high schools, school bus acquisition and replacement, a staff training center, and security improvements to school facilities throughout the County totaling \$55.5 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, various segments of Northstar Boulevard for \$81.8 million, and other transportation projects for \$500.8 million; storm water management project for \$32.4 million; capital project management support \$63.2 million; public safety capital improvements of \$159.3 million; health and welfare capital improvements of \$4.5 million; parks, recreation and cultural capital improvements of \$260.1 million and general government projects for \$69.9 million. Additional information is available in the FY2018 Adopted Budget, Volume 2 and can be found on the County website at www.loudoun.gov/budget.

Long Term Debt

At the end of fiscal year 2017, the County had \$1.4 billion in outstanding general obligation bonds, premiums, loans, and capital leases. This represents a net increase of \$113.2 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 2017, Moody's Investors Services, Inc. reaffirmed the County's bond rating of Aaa, Fitch Credit Rating Services and S&P Global maintained the County's bond rating of AAA. These are the highest ratings available from each of these firms. In May, 2017 Fitch Credit Rating Services reaffirmed the AA+ rating on the County's TIFIA bonds.

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 9.0 percent with the taxable residential property assessment increasing by 5.4 percent. Loudoun County's unemployment rate, at 3.2% in June 2017, 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 the Information and Communications Technology cluster continues to play a major role for Loudoun County in terms of employment, establishments, earnings, name recognition, and potential for future growth. Information Technology drives many levels of the economy, from small business start-ups to large Federal government contracts. The IT assets that Loudoun has cultivated including infrastructure (e.g. fiber network and data centers), workforce, and general economic environment create a wealth of opportunities within the cluster for continued expansion locally, nationally and globally.

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. At this time, the County expects to draw down the remaining balance of the TIFIA loan during FY 2018. Draws on the TIFIA loan have occurred at a much slower rate than initially projected at the time the loan was negotiated, therefore the level of accrued interest has been lower than projected. The County expects to begin drawing on the Metrorail Service District revenues in FY 2018, and begin the process of issuing the appropriation-backed debt for the balance.

The County also agreed to secure sufficient funding to build three Metrorail Garages, and appropriated \$130 million in the Capital Improvement Plan (CIP) to cover the cost. In December 2015, the County was able to successfully negotiate a comprehensive agreement with an affiliate of Comstock Partners for the construction, operations and maintenance of one of the garages located at the Ashburn North (Route 772) station. The County will self-perform the construction of the remaining two garages at the Ashburn South (Route 772) and Loudoun Gateway (Route 606) stations. A design-build contract was awarded to S.B. Ballard Construction Company in spring 2017. The estimated cost is \$84.5 million. The County will likely need to begin the process of issuing bonds or an alternative financing mechanism to fund the two garages in fiscal year 2018. While the projected cost is less than the initial amount budgeted, the type of agreement negotiated for the operation of the garages could impact the type of financing that can be secured.

In April 2017, the Board set the real property tax rate at \$1.125 per \$100 of assessed value from \$1.145 for the calendar year 2017. Assessment data for real property appreciated 0.88 percent for 2017 over 2016 allowing the tax rate to be decreased while still providing sufficient revenue 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. 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. Additional information is provided in the Notes to the Financial Statements: Note XVIII (B) – Retirement Plans and Note XXII – Prior Period Adjustments and Change in Accounting Principles.

The Governmental Accounting Standards Board adopted Statement No. 74, "*Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*". This Statement enhances financial reporting by enhancing decision-usefulness of the financial reports of OPEB plans, their value for assessing accountability, and their transparency by providing information about measures of net OPEB liabilities and explanations of how and why those liabilities changed from year to year. Additional information is provided in the Notes to the Financial Statements: Note XI – Other Postemployment Benefit Plans.

The Governmental Accounting Standards Board adopted Statement No. 77, "*Tax Abatement Disclosures*". This Statement enhances financial reporting by providing financial statement users with essential information about the nature and magnitude of the reduction in tax revenues through tax abatement programs in order to better assess whether current year revenues were sufficient to pay for current year services, compliance with finance related legal or contractual requirements, where a government's financial resources come from and how it used them, and financial position and economic condition and how they have changed over time. The County does not currently have tax abatements meeting the definition contained in this statement.

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 Janet Romanchyk, Director, Department of Finance and Procurement, County of Loudoun, Virginia, 1 Harrison Street, SE, 4th Floor – MSC #41, Leesburg, VA 20176. The telephone number is (703) 777-0290 and the County's web site is at www.loudoun.gov.



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Basic Financial Statements



Youth in Government Day, April 2017



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**COUNTY OF LOUDOUN, VIRGINIA
STATEMENT OF NET POSITION
AS OF JUNE 30, 2017**

	Primary Government Governmental Activities	Component Unit School Board	Total Reporting Entity
ASSETS			
Cash and Cash Equivalents	\$ 1,050,773,684	\$ 193,352	\$ 1,050,967,036
Restricted Cash and Investments	261,090,999	5,050,657	266,141,656
Receivables, Net:			
Taxes:			
Delinquent	39,494,924	-	39,494,924
Not Yet Due	551,890,619	-	551,890,619
Accounts	17,575,351	4,919,700	22,495,051
Due from Other Governments	49,626,078	16,439,237	66,065,315
Due from Primary Government	-	262,977,933	262,977,933
Due from Component Unit	-	85,663	85,663
Due from OPEB Trust	19,365	-	19,365
Inventory	62,408	1,146,209	1,208,617
Prepaid Items	1,427,249	138,578	1,565,827
Notes and Loans Receivable, Net	3,187,716	-	3,187,716
Capital Assets:			
Non-depreciable	388,825,647	297,596,532	686,422,179
Depreciable, Net	914,518,845	1,401,600,490	2,316,119,335
Capital Assets, Net	<u>1,303,344,492</u>	<u>1,699,197,022</u>	<u>3,002,541,514</u>
Total Assets	<u>3,278,492,885</u>	<u>1,990,148,351</u>	<u>5,268,641,236</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts Related to Pensions	35,982,249	196,123,000	232,105,249
Deferred Amount on Refunding Debt	5,546,189	-	5,546,189
Total deferred outflows of resources	<u>41,528,438</u>	<u>196,123,000</u>	<u>237,651,438</u>
LIABILITIES			
Accounts Payable	51,479,111	36,861,104	88,340,215
Accrued Interest Payable	9,088,009	282,984	9,370,993
Accrued Liabilities	13,194,124	81,578,887	94,773,011
Unearned Revenues	9,670,179	4,201,832	13,872,011
Due to Component Unit	262,977,933	-	262,977,933
Due to Primary Government	-	85,663	85,663
Due to Component Unit Agency Fund	-	13,594,486	13,594,486
Other Liabilities	4,234,188	206,034	4,440,222
Long-term Liabilities:			
Due Within One Year:			
Compensated Absences	1,664,844	2,887,779	4,552,623
Claims Liabilities	8,625,534	16,762,465	25,387,999
Bonds Payable	108,806,343	-	108,806,343
Leases Payable	22,852,169	9,992,314	32,844,483
Due in More Than One Year:			
Compensated Absences	28,632,583	23,871,175	52,503,758
Claims Liabilities	3,414,217	518,427	3,932,644
Landfill Closure and Postclosure Care Costs	24,968,151	-	24,968,151
Net OPEB Obligation	5,304,617	91,598,604	96,903,221
Net Pension Liability	86,279,307	940,610,000	1,026,889,307
Total Pension Liability (LOSAP)	35,290,006	-	35,290,006
Bonds Payable	929,413,157	-	929,413,157
Federal Loans Payable	104,913,051	-	104,913,051
Leases Payable	256,587,140	15,153,593	271,740,733
Total Liabilities	<u>1,967,394,663</u>	<u>1,238,205,347</u>	<u>3,205,600,010</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes Not Yet Due	551,890,619	-	551,890,619
Prepaid Taxes	22,271,638	-	22,271,638
Deferred Amounts Related to Pensions	3,246,787	30,546,000	33,792,787
Deferred Amount on Refunding Debt	4,639,056	-	4,639,056
Total Deferred Inflows of Resources	<u>582,048,100</u>	<u>30,546,000</u>	<u>612,594,100</u>
NET POSITION			
Net Investment in Capital Assets	1,106,888,416	1,634,288,422	3,569,057,217 A
Restricted for:			
Capital Projects	130,385,869	-	130,385,869
Legal Agreement	-	1,824,776	1,824,776
Permanent Fund-Nonexpendable	-	26,920	26,920
Public Facilities and Services	122,208,274	-	122,208,274
Affordable Housing	28,838,347	-	28,838,347
Transportation	27,269,477	-	27,269,477
Library Services	4,364,020	-	4,364,020
Tourism	529,420	-	529,420
Emergency Transport Program	3,624,764	-	3,624,764
Other Purposes	1,145,521	-	1,145,521
Unrestricted	(654,675,548)	(718,620,114)	(2,201,176,041) A
Total Net Position	<u>\$ 770,578,560</u>	<u>\$ 917,520,004</u>	<u>\$ 1,688,098,564</u>

A The sum of the columns does not equal the Total Reporting Entity column by a difference of \$827,880,379 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, 2017**

Functions/Programs Activities	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component	Total Reporting Entity
					Governmental Activities	School Board	
Primary Government:							
General Government Administration	\$ 90,831,388	\$ 1,411,793	\$ 772,674	\$ -	\$ (88,646,921)	\$ -	\$ (88,646,921)
Judicial Administration	14,466,547	1,547,052	1,901,164	-	(11,018,331)	-	(11,018,331)
Public Safety	187,136,722	23,027,925	17,863,559	2,216,762	(144,028,476)	-	(144,028,476)
Public Works	53,722,949	7,262,932	6,153,533	22,975,751	(17,330,733)	-	(17,330,733)
Health and Welfare	94,719,324	8,283,297	31,670,959	783,850	(53,981,218)	-	(53,981,218)
Parks, Recreation and Culture	58,406,598	16,154,978	1,001,478	7,302,567	(33,947,575)	-	(33,947,575)
Community Development	195,159,443	20,083,890	28,929,256	26,596,700	(119,549,597)	-	(119,549,597)
Education	833,513,916	-	40,337	-	(833,473,579)	-	(833,473,579)
Interest and Other Debt Service Charges	38,312,079	-	-	-	(38,312,079)	-	(38,312,079)
Total Primary Government	\$ 1,566,268,966	\$ 77,771,867	\$ 88,332,960	\$ 59,875,630	\$ (1,340,288,509)	\$ -	\$ (1,340,288,509)
Component Unit:							
School Board	\$ 1,110,534,947	\$ 21,571,969	\$ 39,167,656	\$ 112,116,942		\$ (937,678,380)	\$ (937,678,380)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes					1,138,369,567	-	1,138,369,567
Local Sales and Use Taxes					122,662,155	-	122,662,155
Consumer Utility Taxes					21,807,354	-	21,807,354
Business License Taxes					35,210,681	-	35,210,681
Franchise License Taxes					885,931	-	885,931
Motor Vehicle Licenses					7,091,920	-	7,091,920
Bank Franchise Taxes					8,916,977	-	8,916,977
Taxes on Recordation and Wills					13,495,539	-	13,495,539
Hotel and Motel Room Taxes					2,488,530	-	2,488,530
Payment from County					-	692,137,749	692,137,749
Payment from Component Unit					28,417,114	-	28,417,114
Interest and Investment Earnings					23,407,795	-	23,407,795
Grants and Contributions Not Restricted to Specific Programs					57,864,787	317,039,596	374,904,383
Revenue from Use of Money and Property					-	1,792,788	1,792,788
Miscellaneous					2,413,000	4,069,597	6,482,597
Total General Revenues					1,463,031,350	1,015,039,730	2,478,071,080
Change in Net Position					122,742,841	77,361,350	200,104,191
Net Position at Beginning of Year, as restated (Note XXII)					647,835,719	840,158,654	1,487,994,373
Net Position at End of Year					\$ 770,578,560	\$ 917,520,004	\$ 1,688,098,564

See accompanying notes to the financial statements.

**COUNTY OF LOUDOUN, VIRGINIA
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2017**

	General	Capital Projects	Debt Service	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 1,048,654,321	\$ -	\$ -	\$ 2,119,363	\$ 1,050,773,684
Restricted Cash and Investments	80,851,934	161,888,314	5,308,278	11,308,473	259,356,999
Receivables, Net:					
Taxes:					
Delinquent	36,611,835	-	-	2,883,089	39,494,924
Not Yet Due	551,890,619	-	-	-	551,890,619
Accounts	5,797,895	2,327,999	-	9,013,099	17,138,993
Due from Other Governments	37,304,899	11,353,109	-	968,070	49,626,078
Interfund Receivables	-	268,569,192	68,502,094	196,634,029	533,705,315
Prepaid Items	364,830	-	-	180,365	545,195
Notes and Loans Receivable, Net	1,044,405	-	-	2,143,311	3,187,716
Total Assets	<u>\$ 1,762,520,738</u>	<u>\$ 444,138,614</u>	<u>\$ 73,810,372</u>	<u>\$ 225,249,799</u>	<u>\$ 2,505,719,523</u>
LIABILITIES					
Liabilities:					
Accounts Payable	\$ 8,262,921	\$ 33,673,744	\$ 68,773	\$ 8,024,653	\$ 50,030,091
Accrued Liabilities	12,204,845	-	-	49,213	12,254,058
Unearned Revenues	4,965,592	313,722	-	4,390,865	9,670,179
Interfund Payables	584,719,126	-	-	931,051	585,650,177
Due to Component Unit	227,040,962	3,283,000	30,868,197	1,609,943	262,802,102
Other Liabilities	2,543,496	-	-	1,690,692	4,234,188
Total Liabilities	<u>839,736,942</u>	<u>37,270,466</u>	<u>30,936,970</u>	<u>16,696,417</u>	<u>924,640,795</u>
DEFERRED INFLOWS OF RESOURCES					
Property Taxes	11,090,034	-	-	1,258,892	12,348,926
Property Taxes Not Yet Due	551,890,619	-	-	-	551,890,619
Prepaid Taxes	22,143,550	-	-	128,088	22,271,638
Total Deferred Inflows of Resources	<u>585,124,203</u>	<u>-</u>	<u>-</u>	<u>1,386,980</u>	<u>586,511,183</u>
FUND BALANCES:					
Non-spendable	1,409,235	-	-	180,365	1,589,600
Restricted	-	283,099,796	-	188,507,536	471,607,332
Committed	212,953,184	115,401,622	-	15,190,460	343,545,266
Assigned	54,776,969	8,366,730	42,873,402	3,288,041	109,305,142
Unassigned	68,520,205	-	-	-	68,520,205
Total Fund Balances	<u>337,659,593</u>	<u>406,868,148</u>	<u>42,873,402</u>	<u>207,166,402</u>	<u>994,567,545</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,762,520,738</u>	<u>\$ 444,138,614</u>	<u>\$ 73,810,372</u>	<u>\$ 225,249,799</u>	<u>\$ 2,505,719,523</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, 2017**

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

Total Fund balances - governmental funds		\$ 994,567,545
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Governmental capital assets	1,598,951,754	
Less accumulated depreciation	<u>(343,049,855)</u>	1,255,901,899
Delinquent taxes and other long term assets not available to pay for current period expenditures are deferred in the governmental funds.		12,348,926
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	5,546,189	
Unamortized deferred gain on refunding of debt	<u>(4,639,056)</u>	907,133
Employer pension contributions in the governmental funds made after the measurement date are deferred and expensed in the next fiscal period		35,813,564
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	(30,297,427)	
Landfill closure and postclosure care costs	(24,968,151)	
Net OPEB Obligation	(5,304,617)	
Net Pension Liability	(85,874,830)	
Total Pension Liability (LOSAP)	(35,290,006)	
Unamortized deferred amount on pension investments	(3,239,810)	
Bonds payable	(966,285,000)	
Federal loans payable	(104,913,051)	
Capital leases payable	(253,565,000)	
Unamortized bond premium	<u>(97,808,809)</u>	(1,607,546,701)
Interest on long-term liabilities is not accrued in the governmental funds, but is rather recognized as an expenditure when due.		(9,088,009)
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.		87,674,203
Net Position of Governmental Activities		<u><u>\$ 770,578,560</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, 2017

	General	Capital Projects	Debt Service	Non-Major Governmental Funds	Total Governmental Funds
REVENUES					
General Property Taxes	\$ 1,113,925,774	\$ -	\$ -	\$ 20,599,180	\$ 1,134,524,954
Other Local Taxes	161,480,151	885,931	-	50,193,005	212,559,087
Permits and Licenses	24,158,503	-	-	1,420	24,159,923
Fines and Forfeitures	2,068,578	-	-	-	2,068,578
Use of Money and Property	8,569,985	12,337	1,517,657	1,276,811	11,376,790
Charges for Services	36,969,037	-	-	5,120,899	42,089,936
Gifts and Donations	192,565	-	-	36,362,416	36,554,981
Miscellaneous	268,407	-	1,087,791	8,770	1,364,968
Recovered Costs	9,674,223	(10,972)	-	838,211	10,501,462
Intergovernmental - Commonwealth	85,866,343	13,166,947	-	5,125,213	104,158,503
Intergovernmental - Federal	8,190,694	11,652,584	-	10,826,247	30,669,525
Payment from Component Unit	28,417,114	-	-	-	28,417,114
Total Revenues	<u>1,479,781,374</u>	<u>25,706,827</u>	<u>2,605,448</u>	<u>130,352,172</u>	<u>1,638,445,821</u>
EXPENDITURES					
Current Operating:					
General Government Administration	81,082,237	10,684,971	-	318,548	92,085,756
Judicial Administration	14,381,114	-	-	123,191	14,504,305
Public Safety	175,863,532	2,270,141	-	5,025,049	183,158,722
Public Works	17,023,383	5,381,293	-	16,484,133	38,888,809
Health and Welfare	72,084,756	704,105	-	19,068,119	91,856,980
Parks, Recreation and Culture	52,619,454	4,936,215	-	981,857	58,537,526
Community Development	50,335,005	137,105,098	-	6,278,984	193,719,087
Education	729,948,688	938,000	15,047,228	87,580,000	833,513,916
Capital Outlay	-	65,858,204	-	3,680,512	69,538,716
Debt Service:					
Principal Payments	-	-	115,555,000	-	115,555,000
Interest	-	-	48,987,121	-	48,987,121
Service Charges	-	-	1,245,599	-	1,245,599
Total Expenditures	<u>1,193,338,169</u>	<u>227,878,027</u>	<u>180,834,948</u>	<u>139,540,393</u>	<u>1,741,591,537</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>286,443,205</u>	<u>(202,171,200)</u>	<u>(178,229,500)</u>	<u>(9,188,221)</u>	<u>(103,145,716)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	13,129,986	279,141,076	176,802,347	90,475,506	559,548,915
Transfers Out	(248,291,982)	(20,066,690)	(16,788,356)	(286,527,564)	(571,674,592)
Bonds Issued	-	-	-	108,730,000	108,730,000
Capital Leases Issued	-	-	-	60,900,000	60,900,000
Federal Loans Issued	-	-	-	51,308,836	51,308,836
Premium on Bonds Issued	-	-	11,749,650	-	11,749,650
Premium on Capital Leases Issued	-	-	8,809,409	-	8,809,409
Sale of Capital Assets	47,716	-	-	-	47,716
Total Other Financing Sources (Uses), net	<u>(235,114,280)</u>	<u>259,074,386</u>	<u>180,573,050</u>	<u>24,886,778</u>	<u>229,419,934</u>
Net Change in Fund Balances	51,328,925	56,903,186	2,343,550	15,698,557	126,274,218
Fund Balances at Beginning of Year, as restated (Note XXII)	286,330,668	349,964,962	40,529,852	191,467,845	868,293,327
Fund Balances at End of Year	<u><u>\$ 337,659,593</u></u>	<u><u>\$ 406,868,148</u></u>	<u><u>\$ 42,873,402</u></u>	<u><u>\$ 207,166,402</u></u>	<u><u>\$ 994,567,545</u></u>

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, 2017

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

Net change in fund balances - total governmental funds		\$ 126,274,218
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	89,051,970	
Less current year depreciation	<u>(33,366,962)</u>	55,685,008
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.		
		(96,152)
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.		
		34,690,368
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Change in unavailable revenue related to taxes	3,844,613	
Change in pension investment earnings	<u>12,031,005</u>	15,875,618
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	115,555,000	
Net debt proceeds and issuance premium	(241,497,895)	
Current year amortization of bond premium	12,764,573	
Current year amortization of deferred amount of refunding	<u>833,527</u>	(112,344,795)
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	(1,789,315)	
Change in landfill closure/post-closure liability	(3,534,737)	
Change in Net OPEB Obligation	6,141,906	
Change in Net Pension Liability	(27,866,070)	
Change in Total Pension Liability (LOSAP)	1,226,325	
Change in employer contributions after the measurement date	16,244,739	
Change in accrued interest liability	<u>(1,677,459)</u>	(11,254,611)
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.		
		13,913,187
Change in Net Position of Governmental Activities		<u><u>\$ 122,742,841</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, 2017**

ASSETS

Current Assets:

Restricted Cash and Investments	\$ 1,734,000
Receivables, Net	436,358
Interfund Receivables	51,964,227
Inventory	62,408
Prepaid Items	882,054
Total Current Assets	<u>55,079,047</u>

Long-term Assets:

Capital Assets:

Depreciable, Net	47,442,593
Total Long-term Assets	<u>47,442,593</u>
Total Assets	<u>102,521,640</u>

DEFERRED OUTFLOWS OF RESOURCES

Pension Contributions after the Measurement Date	168,685
Total Deferred Outflows of Resources	<u>168,685</u>

LIABILITIES

Current Liabilities:

Accounts Payable	1,449,020
Due to Component Unit	175,831
Claims Liabilities	8,625,534
Accrued Liabilities	940,066
Total Current Liabilities	<u>11,190,451</u>

Long-term Liabilities:

Claims Liabilities	3,414,217
Net Pension Liability	404,477
Total Long-term Liabilities	<u>3,818,694</u>
Total Liabilities	<u>15,009,145</u>

DEFERRED INFLOWS OF RESOURCES

Deferred Gain on Pension Investment Earnings	6,977
Total Deferred Inflows of Resources	<u>6,977</u>

NET POSITION

Net Investment in Capital Assets	47,442,593
Unrestricted	40,231,610
Total Net Position	<u>\$ 87,674,203</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, 2017

Operating Revenues:	
Charges for Services	\$ 70,413,217
Use of Property	82,419
Miscellaneous	34,911
Total Operating Revenues	<u>70,530,547</u>
Operating Expenses:	
Personnel Services	1,383,318
Other Services and Charges	7,125,895
Materials and Supplies	1,075,339
Depreciation	7,684,685
Claims	52,134,478
Total Operating Expenses	<u>69,403,715</u>
Operating Income	1,126,832
Non-Operating Revenues:	
Gain on Sale of Capital Assets	<u>660,678</u>
Net Income Before Transfers	1,787,510
Transfers In	13,725,677
Transfers Out	<u>(1,600,000)</u>
Change in Net Position	13,913,187
Net Position at Beginning of Year	73,761,016
Net Position at End of Year	<u><u>\$ 87,674,203</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, 2017**

Cash Flows from Operating Activities

Receipts from Customers	\$ 70,530,122
Payments to Suppliers for Goods and Services	(8,974,168)
Payments for Interfund Services	(2,675,403)
Claims Paid	(50,634,939)
Payments to Component Unit	32,315
Payments to Employees	(786,393)
Net Cash Provided by Operating Activities	<u>7,491,534</u>

Cash Flows from Non-capital Financing Activities:

Transfers In	13,725,677
Transfers Out	(1,600,000)
Net Cash Provided by Non-capital Financing Activities	<u>12,125,677</u>

Cash Flows from Capital and Related Financing Activities:

Additions to Capital Assets	(19,797,033)
Proceeds from Sale of Capital Assets	708,822
Net Cash Used in Capital and Related Financing Activities	<u>(19,088,211)</u>

Net Increase in Cash and Cash Equivalents

529,000

Cash and Cash Equivalents at Beginning of Year

1,205,000

Cash and Cash Equivalents at End of Year\$ 1,734,000**Reconciliation of Operating Income to Net Cash Used In Operating Activities:****Operating Income**\$ 1,126,832**Adjustment Not Affecting Cash:**

Depreciation	7,684,685
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(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:

Receivables, Net	(425)
Interfund Receivables	(2,675,403)
Inventory	(13,135)
Prepaid Items	(882,054)
Deferred Pension Expense	(78,112)
Accounts Payable	128,082
Due to Other Funds	32,315
Claims Liabilities	1,499,539
Accrued Liabilities	596,925
Net Pension Obligation	135,988
Deferred Gain on Pension Investments	(63,703)
Total Adjustments	<u>6,364,702</u>

Net Cash Provided by Operating Activities\$ 7,491,534**Non-Cash Capital Related Financing Activities:**

Gain on Sale of Capital Assets	\$ 660,678
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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, 2017**

	OPEB Trust Fund	War Memorial Trust Fund	Agency Funds
ASSETS			
Cash and Cash Equivalents	\$ -	\$ 15,564	\$ 23,147,356
Cash with Fiscal Agents	61,754,539	-	60,000
Total Assets	<u>61,754,539</u>	<u>15,564</u>	<u>23,207,356</u>
LIABILITIES			
Accounts Payable	1,500	-	2,884,931
Interfund Payables	19,365	-	-
Other Liabilities	-	-	312,415
Funds Held in Trust for Others	-	-	20,010,010
Total Liabilities	<u>20,865</u>	<u>-</u>	<u>\$ 23,207,356</u>
NET POSITION			
Assets Held in Trust for OPEB Benefits	\$ 61,733,674	\$ -	
Assets Held in Trust for Private Purposes	-	15,564	
Total Net Position	<u>\$ 61,733,674</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, 2017**

	OPEB Trust Fund	War Memorial Trust Fund
ADDITIONS		
Contributions:		
Employer	\$ 9,034,376	\$ -
Total Contributions	<u>9,034,376</u>	<u>-</u>
Investments:		
Net Appreciation in Fair Value of Investments	4,391,775	-
Investment Income	<u>6,893</u>	<u>-</u>
Total Investment Income	4,398,668	-
Less Investment Expense:		
Investment Management Fees	<u>(36,308)</u>	<u>-</u>
Net Investment Income	<u>4,362,360</u>	<u>-</u>
Total Additions	<u>13,396,736</u>	<u>-</u>
DEDUCTIONS		
Benefit Payments	3,250,978	-
Administrative Expense	<u>304,263</u>	<u>-</u>
Total Deductions	<u>3,555,241</u>	<u>-</u>
Net Increase in Net Position	9,841,495	-
Net Position at Beginning of Year	51,892,179	15,564
Net Position at End of Year	<u>\$ 61,733,674</u>	<u>\$ 15,564</u>

See accompanying notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS



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COUNTY OF LOUDOUN, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

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 (the 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 \$385,793 as of June 30, 2017. 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 government-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 net asset value, 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, 2017, \$23,486,419 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, 2017, \$255,002 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, 2017, \$6,556,006 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, 2017, \$13,939,243 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, 2017, \$12,819,711 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, deferred amounts related to pensions in the amount of \$35,982,249 and a deferred loss on refunding debt in the amount of \$5,546,189. The deferred amounts related to pensions is reported in the government-wide Statement of Net Position. \$19,534,732 deferred for employer contributions after the measurement date will be recognized as an expense in the next fiscal period, \$16,447,517 deferred due to differences in expected versus actual experience will be amortized over a closed five year 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 \$551,890,619 for revenues from property taxes not yet due and in the amount of \$22,271,638 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 \$4,639,056 and deferred amounts related to pensions in the amount of \$3,246,787 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. Deferred amounts related to pensions results from the net difference between projected and actual earnings on plan investments and changes in assumptions and other inputs. 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 2017:

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.
2. 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.
3. 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*.
4. 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.
5. 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.
6. 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.

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

1. 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.
2. Statement No. 83, *Certain Asset Retirement Obligations*. This Statement, issued in November 2016, addresses accounting and financial reporting for certain asset retire obligations by establishing uniform criteria for governments to recognize and measure certain ARO's, including obligations that may not have been previously reported. This Statement is effective for periods beginning in fiscal year 2019.
3. Statement No. 84, *Fiduciary Activities*. This Statement, issued in January 2017, improves the guidance regarding identification of fiduciary activities by establishing criteria for identifying fiduciary activities of all state and local governments for accounting and financial reporting purposes and how those activities should be reported. This Statement is effective for periods beginning in fiscal year 2020.
4. Statement No. 85, *Omnibus 2017*. This Statement, issued in March 2017, addresses practice issues that have been identified during implementation and application of certain GASB Statements including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits. This Statement is effective for periods beginning in fiscal year 2018.

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, 2017, 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:

Investment Type	Maximum Diversification	Limits Within Investment Type
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:

Maximum Maturity	Allowable Allocation
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 so that securities mature concurrent with anticipated cash needs in conjunction with below guidelines:

Maximum Maturity	Allowable Allocation
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, 2017, the Portfolio was invested as follows:

- 2.68% of the portfolio was invested in "Aaa", "AA+" or better rated agency obligations
- 34.65% was invested in "A-1", "P-1", or better short term commercial paper
- 35.88% was invested in "AAAm" rated state run pooled money market fund
- 26.79% 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, 2017, there were no securities that exceeded 5% of the total portfolio, excluding the Virginia LGIP and U.S. Government guaranteed obligations.

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, 2017, the following securities were held that had call features:

Fund	Maturity Date	Issue	Fair Value	Par/Cost	Yield %	Step Features
General Fund	11/24/2017	FHLMC	\$ 9,989,420	\$ 10,000,000	0.900	2 year/3 month non-callable, quarterly thereafter
	2/1/2018	FHLB	2,607,294	2,625,000	1.210	8 month, non-callable
	5/14/2018	FHLB	1,978,650	2,000,000	1.220	11 month, non-callable
	8/3/2021	FHLMC	4,224,704	4,250,000	0.750	5 year/7 month non-callable, semi-annual thereafter, step up
	6/29/2022	FHLMC	4,992,060	5,000,000	1.625	5 year/6 month non-callable, semi-annual thereafter, step up
Public Facilities Fund	8/26/2019	FHLMC	4,978,560	5,000,000	1.102	3.25 year/3 month non-callable, quarterly thereafter, step up

On June 30, 2017, 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	\$ 2,616,051	\$ 2,616,051	\$ -	\$ -	\$ -	\$ -
Money Market Funds (LGIP)	514,170,869	514,170,869	-	-	-	-
Certificates of Deposit (CD) - Commercial Banks	116,144,928	5,000,000	30,000,000	62,918,071	15,790,612	2,436,245
U.S. Government Agencies	28,832,723	-	10,000,000	4,582,723	-	14,250,000
Commercial Paper (CP's)	372,136,185	124,108,568	119,162,386	128,865,231	-	-
CDARs	40,035,848	5,082,329	15,085,127	19,868,392	-	-
Total Deposits and Investments	\$ 1,073,936,604	\$ 650,977,817	\$ 174,247,513	\$ 216,234,417	\$ 15,790,612	\$ 16,686,245

The Component Unit's cash, consisting of Student Activity Funds' cash of \$7,767,961, petty cash of \$200, Middleburg Community Charter School cash of \$61,569 and Hillsboro Charter Academy cash of \$131,583, 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, 2017, 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. The portfolio meets all the criteria of GASB Statement 79 and is valued by the amortized cost method. 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, 2017, the Primary Government's share in this pool was \$61,754,539 as reported on the face of the OPEB trust fund statement found in Exhibit X. At June 30, 2017, the Component Unit-Schools' share in this pool was \$140,815,006 as reported on the face of the Component Unit trust fund statement found in Schedule 45.

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, 2017, the fair value of investments totaled \$18,864,126.

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 and SNAP) or amortized cost (CD's 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, 2017.

U.S Government Securities of \$28,832,723 are valued using significant other observable inputs, a level 2 input.

Restricted cash and investments

Restricted cash and investments consist of the following amounts:

	Governmental Activities	Component Unit - Schools
General Fund:		
Volunteer Fire and Rescue LOSAP Pension Benefits	\$ 18,864,126	\$ -
General Obligation Bond Proceeds (SNAP) - Component Unit - Schools	61,987,808	-
Unspent Lease Proceeds	-	2,281,657
Total General Fund	80,851,934	2,281,657
Capital Projects Fund:		
General Obligation Bond Proceeds (SNAP)	161,888,314	-
Land Deposit - Component Unit - Schools	-	50,000
Total Capital Projects Fund	161,888,314	50,000
Debt Service Fund:		
Bond Proceeds held by SNAP for Debt Service and Capital Projects	5,308,278	-
Non-Major Governmental Funds:		
Transportation District Fund	11,256,039	-
Capital Asset Preservation Fund (SNAP)	52,434	-
Total Non-Major Governmental Funds	11,308,473	-
Internal Service Funds:		
Self Insurance Fund	1,734,000	2,719,000
Total Restricted Cash and Investments	\$ 261,090,999	\$ 5,050,657

NOTE IV – DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES

Receivables at June 30, 2017 are as follows:

	Taxes	Accounts	Due from Other Governments	Total Receivables
<u>Governmental Activities:</u>				
General Fund	\$ 36,983,590	\$ 5,824,482	\$ 37,304,899	\$ 80,112,971
Capital Projects Fund	-	2,327,999	11,353,109	13,681,108
Non-Major Governmental Funds	2,897,127	9,017,147	968,070	12,882,344
Internal Service Funds	-	439,450	-	439,450
Gross Receivables	39,880,717	17,609,078	49,626,078	107,115,873
Less: allowance for uncollectibles	(385,793)	(33,727)	-	(419,520)
Total Governmental Activities	\$ 39,494,924	\$ 17,575,351	\$ 49,626,078	\$ 106,696,353
<u>Component Unit - Schools:</u>				
General Fund	\$ -	\$ 1,911,005	\$ 14,433,693	\$ 16,344,698
Special Revenue Fund	-	2,315,311	1,959,620	4,274,931
Capital Improvements Fund	-	250,000	-	250,000
Internal Service Funds	-	441,554	-	441,554
Component Unit's of Schools	-	1,830	45,924	47,754
Total Component Unit - Schools	\$ -	\$ 4,919,700	\$ 16,439,237	\$ 21,358,937

Payables at June 30, 2017 are as follows:

	Vendors	Accrued Interest	Salaries and Benefits	Total Payables
<u>Governmental Activities:</u>				
General Fund	\$ 8,262,921	\$ -	\$ 12,204,845	\$ 20,467,766
Capital Projects Fund	33,673,744	-	-	33,673,744
Debt Service Fund	68,773	9,088,009	-	9,156,782
Non-Major Governmental Funds	8,024,653	-	49,213	8,073,866
Internal Service Funds	1,449,020	-	940,066	2,389,086
Total Governmental Activities	\$ 51,479,111	\$ 9,088,009	\$ 13,194,124	\$ 73,761,244
<u>Component Unit - Schools:</u>				
General Fund	\$ 5,666,830	\$ 282,984	\$ 66,488,486	\$ 72,438,300
Capital Improvements Fund	29,748,497	-	10,014,196	39,762,693
Special Revenue Fund	244,345	-	2,692,018	2,936,363
Capital Asset Replacement Fund	869,082	-	-	869,082
Internal Service Funds	287,014	-	2,379,943	2,666,957
Component Unit's of Schools	45,336	-	4,244	49,580
Total Component Unit - Schools	\$ 36,861,104	\$ 282,984	\$ 81,578,887	\$ 118,722,975

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, 2017 is as follows:

	Interfund Receivables	Interfund Payables
Governmental Activities		
General Fund	\$ -	\$ 584,719,126
Capital Projects Fund	268,569,192	-
Debt Service Fund	68,502,094	-
Non-Major Governmental Funds	196,634,029	931,051
Internal Service Funds	51,964,227	-
Fiduciary Funds	-	19,365
Total	\$ 585,669,542	\$ 585,669,542

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, 2017 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	\$ -	\$ 37,488,293	\$ 172,199,707	\$ 34,510,816	\$ 4,093,166	\$ 248,291,982
Capital Projects Fund	5,867,576	-	4,566,603	-	9,632,511	20,066,690
Debt Service Fund	125,109	16,663,247	-	-	-	16,788,356
Non-Major Governmental Funds	7,137,301	223,389,536	36,037	55,964,690	-	286,527,564
Internal Service Funds	-	1,600,000	-	-	-	1,600,000
Total Primary Government	\$ 13,129,986	\$ 279,141,076	\$ 176,802,347	\$ 90,475,506	\$ 13,725,677	\$ 573,274,592

During the year ending June 30, 2017, the County made the following one-time transfers:

- 1) The General Fund returned \$2,942,301 to the Transportation District Fund.
- 2) The General Fund transferred \$1,029,680 to the Self Insurance Fund.
- 3) The General Fund transferred \$4,592,435 of unspent School Board capital project funds to the Debt Service Fund.
- 4) The Capital Projects Fund transferred \$4,566,603 of unspent project funds to the Debt Service Fund.
- 5) One time transfers to the Capital Projects Fund to finance capital construction include \$17,405,857 from the General Fund, \$616,919 from the Public Facilities Fund and \$34,228,448 from the Transportation District Fund.
- 6) 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: \$17,000,000 from the General Fund to the Transportation District Fund; \$4,655,854 from the Public Facilities Fund to the Transportation District Fund, \$21,655,854 from the Transportation District Fund to the Capital Projects Fund and \$51,308,836 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, 2017.

Notes and Loans Receivable	\$ 4,396,755
Allowance for Uncollectibles	(1,209,039)
Net Notes and Loans Receivable	\$ 3,187,716

Of the gross amount of notes and loans receivable, \$135,816 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 \$3,648,778 represents loans to individuals/families under the Affordable Housing Program and Public Employee Home Ownership Grant.

NOTE VIII – CAPITAL ASSETS

Capital assets activity for the Primary Government for the year ended June 30, 2017 is as follows:

	Primary Government				
	Balance June 30, 2016	Additions/ Increases	Retirements/ Decreases	Transfers	Balance June 30, 2017
<u>Capital Assets Not Being Depreciated:</u>					
Land	\$ 146,815,497	\$ 23,875,618	\$ -	\$ -	\$ 170,691,115
Infrastructure - Ponds	87,131,757	7,081,393	-	365,046	94,578,196
Construction in Progress	96,484,495	65,229,261	-	(38,157,420)	123,556,336
Total Capital Assets Not Being Depreciated	\$ 330,431,749	\$ 96,186,272	\$ -	\$ (37,792,374)	\$ 388,825,647
<u>Depreciable Capital Assets:</u>					
Buildings	\$ 459,848,585	\$ 8,105,961	\$ -	\$ 8,104,870	\$ 476,059,416
Improvements Other Than Buildings	49,540,402	-	-	13,838,529	63,378,931
Equipment	185,955,031	23,352,781	(6,491,755)	15,848,975	218,665,032
Infrastructure	525,632,083	15,894,358	-	-	541,526,441
Total Depreciable Capital Assets	\$ 1,220,976,101	\$ 47,353,100	\$ (6,491,755)	\$ 37,792,374	\$ 1,299,629,820
<u>Less Accumulated Depreciation for:</u>					
Buildings	\$ (97,283,531)	\$ (10,847,541)	\$ -	\$ -	\$ (108,131,072)
Improvements Other Than Buildings	(22,886,745)	(2,806,616)	-	-	(25,693,361)
Equipment	(115,618,879)	(17,182,120)	6,347,460	-	(126,453,539)
Infrastructure	(114,617,633)	(10,215,370)	-	-	(124,833,003)
Total Accumulated Depreciation	\$ (350,406,788)	\$ (41,051,647)	\$ 6,347,460	\$ -	\$ (385,110,975)
Depreciable Capital Assets, Net	\$ 870,569,313	\$ 6,301,453	\$ (144,295)	\$ 37,792,374	\$ 914,518,845
Total Capital Assets	\$ 1,201,001,062	\$ 102,487,725	\$ (144,295)	\$ -	\$ 1,303,344,492

Primary government capital assets, net of accumulated depreciation, at June 30, 2017 are comprised of the following:

General Capital Assets, Net	\$ 1,255,901,899
Internal Service Fund Capital Assets, Net	47,442,593
Total Capital Assets, Net	\$ 1,303,344,492

Depreciation was charged to governmental functions as follows:

General government administration	\$ 8,209,829
Judicial administration	745,147
Public safety	10,340,170
Public works	12,082,849
Health and welfare	1,464,972
Parks, recreation and culture	5,375,464
Community development	2,833,216
Total Depreciation	\$ 41,051,647

Capital asset activity for the Schools for the year ended June 30, 2017 is as follows:

	Component Unit - Schools				
	Balance June 30, 2016	Additions/ Increases	Retirements/ Decreases	Transfers	Balance June 30, 2017
Capital Assets Not Being Depreciated:					
Land	\$ 148,309,740	\$ 1,548,891	\$ -	\$ -	\$ 149,858,631
Construction in Progress	84,162,499	122,974,610	\$ (59,399,208)	-	147,737,901
Total Capital Assets Not Being Depreciated	\$ 232,472,239	\$ 124,523,501	\$ (59,399,208)	\$ -	\$ 297,596,532
Depreciable Capital Assets:					
Buildings	\$ 1,754,875,266	\$ 58,891,525	\$ (63,910)	\$ -	\$ 1,813,702,881
Improvements Other Than Buildings	4,291,391	1,243,312	-	-	5,534,703
Machinery and Equipment	132,911,723	12,422,832	(11,868,375)	-	133,466,180
Infrastructure	1,121	-	-	-	1,121
Total Depreciable Capital Assets	\$ 1,892,079,501	\$ 72,557,669	\$ (11,932,285)	\$ -	\$ 1,952,704,885
Less Accumulated Depreciation for:					
Buildings	\$ (399,939,013)	\$ (39,999,943)	\$ 63,503	\$ -	\$ (439,875,453)
Improvements Other Than Buildings	(1,086,268)	(280,969)	-	-	(1,367,237)
Machinery and Equipment	(114,807,994)	(6,836,369)	11,783,078	-	(109,861,285)
Infrastructure	(364)	(56)	-	-	(420)
Total Accumulated Depreciation	\$ (515,833,639)	\$ (47,117,337)	\$ 11,846,581	\$ -	\$ (551,104,395)
Depreciable Capital Assets, Net	\$ 1,376,245,862	\$ 25,440,332	\$ (85,704)	\$ -	\$ 1,401,600,490
Total Capital Assets, net	\$ 1,608,718,101	\$ 149,963,833	\$ (59,484,912)	\$ -	\$ 1,699,197,022

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

	Program Authorization	Transferred to Fixed Assets by June 30, 2017	Non-Capital Projects in Process at June 30, 2017	Non-Capital Projects Completed by June 30, 2017	Capital Construction in Progress at June 30, 2017	Capital Construction Commitments at June 30, 2017	Remaining to be Committed at June 30, 2017
General Government Admin.	\$ 454,467,386	\$ 130,407,899	\$ 40,733,286	\$ 15,560,601	\$ 46,855,967	\$ 56,907,469	\$ 164,002,164
Judicial Administration	129,404,619	30,939,792	-	-	9,200,536	12,605,219	76,659,072
Public Safety	517,609,640	186,508,590	8,408,131	10,629,064	20,318,330	20,251,917	271,493,608
Public Works	145,880,914	11,363,835	19,624,815	-	1,051,956	9,382,715	104,457,593
Health and Welfare	36,297,006	5,853,317	3,993,446	5,795	217,598	1,559,308	24,667,542
Parks, Recreation and Culture	329,427,993	56,662,661	4,433,812	6,457,285	45,704,494	10,430,340	205,739,401
Community Development	1,643,445,968	89,743,889	339,270,825	92,228,169	207,455	91,924,220	1,030,071,410
Total Primary Govt.	\$ 3,256,533,526	\$ 511,479,983	\$ 416,464,315	\$ 124,880,914	\$ 123,556,336	\$ 203,061,188	\$ 1,877,090,790

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, 2017, the Schools had contractual commitments of \$238,409,580 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	\$ 10,530,520
Capital Projects Fund	203,061,188
Internal Service Funds	3,203,405
Non-Major Governmental Funds	2,474,488
Total	<u>\$219,269,601</u>

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.

	WORKERS' COMPENSATION		
	Primary Government	Component Unit - Schools	Total
<u>Fiscal Year 2016</u>			
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)
Unpaid Claims End of Fiscal Year	\$ 6,395,842	\$ 5,028,943	\$ 11,424,785
<u>Fiscal Year 2017</u>			
Unpaid Claims Beginning of Fiscal Year	\$ 6,395,842	\$ 5,028,943	\$ 11,424,785
Incurred Claims (Including IBNR)	2,200,629	3,628,736	5,829,365
Claim Payments	(1,489,308)	(2,894,101)	(4,383,409)
Unpaid Claims End of Fiscal Year	\$ 7,107,163	\$ 5,763,578	\$ 12,870,741

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
Fiscal Year 2016			
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)
Unpaid Claims End of Fiscal Year	\$ 4,144,370	\$ 9,059,387	\$ 13,203,757
Fiscal Year 2017			
Unpaid Claims Beginning of Fiscal Year	\$ 4,144,370	\$ 9,059,387	\$ 13,203,757
Incurred Claims (Including IBNR)	49,166,341	150,427,215	199,593,556
Claim Payments	(48,378,123)	(147,969,288)	(196,347,411)
Unpaid Claims End of Fiscal Year	\$ 4,932,588	\$ 11,517,314	\$ 16,449,902

The Board of Supervisors has the authority to modify the provisions of the County's active and postemployment benefits program. As of June 30, 2017, there are 520 retirees or individuals who qualify for disability retirement enrolled in the program. During fiscal year 2017, expenditures of \$5,143,693 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 BENEFIT (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 health, dental and vision insurance for eligible retirees and their family through the County's self-insured 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 up to 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.

Plan membership. The following is a summary of plan membership as of June 30, 2015.

Number of Participants Active	2,608
Retired/Beneficiaries	391
Spouses	162
Total Participants	3,164

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 193.32% and 120.41% 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 the discount 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 2017 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	\$ 20,193,000
Interest on Net OPEB Obligation	744,024	6,983,000
Adjustment to Annual Required Contribution	(629,566)	(5,315,000)
Annual OPEB Cost (expense)	\$ 6,581,458	\$ 21,861,000
Actual Contributions	(12,723,364)	(26,321,831)
Decrease in net OPEB Obligation	(6,141,906)	(4,460,831)
Net OPEB Obligation, Beginning of Year	11,446,523	96,059,435
Net OPEB Obligation, End of Year	\$ 5,304,617	\$ 91,598,604
Actual Contribution Rate	193.32%	120.41%

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 2017 and the preceding two fiscal years were as follows:

Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Contributed	Net OPEB Obligation
Primary Government			
6/30/2017	\$ 6,581,458	193.32%	\$ 5,304,617
6/30/2016	\$ 6,751,000	150.87%	\$ 11,446,523
6/30/2015	\$ 7,232,354	138.18%	\$ 17,635,151
Component Unit - Schools			
6/30/2017	\$ 21,861,000	120.41%	\$ 91,598,604
6/30/2016	\$ 21,176,000	114.50%	\$ 96,059,435
6/30/2015	\$ 23,015,000	107.50%	\$ 99,130,873

The projection of future benefit payments 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, 2017, 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)
Primary Government						
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%
Component Unit - Schools						
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. Long-Term Weighted Rate of Return and Net OPEB Liability

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. This is then modified through a Monte-Carlo simulation process, by which a downward risk adjustment is applied to the baseline expected return.

Best estimates of real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2017, and the final investment return assumption, are summarized in the following table:

Asset Class	Long-Term Expected Real Return - Portfolio	Weight
Domestic Equity	5.75%	21%
International Funds	6.25%	11%
Fixed Income	2.75%	58%
Real Estate	4.45%	3%
Commodities	2.55%	2%
Hedged Equity/Fixed	3.85%	5%
Total Weighted Average Real Return	3.87%	
Plus Inflation	2.50%	
Total Return w/o Adjustment	6.37%	
Risk Adjustment	-0.32%	
Total Expected Return	6.05%	100%

The discount rate used to measure the total OPEB liability was 6.05%. The projection of cash flows used to determine the discount rate assumed that the County's contributions will continue in addition to the benefits paid. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rates of return on OPEB Trust investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Net OPEB Liability

The components of the net OPEB liability of the County at June 30, 2017, were as follows:

Total OPEB liability	\$114,309,481
Plan fiduciary net position	\$61,754,539
Net OPEB liability	\$52,554,942
Plan fiduciary net position as a percentage of the total OPEB liability	54.0%

Sensitivity of the net OPEB liability to changes in the discount rate

The following presents the net OPEB liability of the plans, calculated using the discount rate of 6.05%, as well as what each plan's net OPEB liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rate:

Discount Rate	1% Decrease 5.05%	Current Discount Rate 6.05%	1% Increase 7.05%
Total OPEB Liability	\$124,935,713	\$114,309,481	\$104,873,071
Plan Net Position	61,754,539	61,754,539	61,754,539
Net OPEB Liability	\$63,181,174	\$52,554,942	\$43,118,532
Ratio of Plan Net Position to Total OPEB Liability	49.4%	54.0%	58.9%

Sensitivity of the net OPEB liability to changes in the trend rate

The following presents the net OPEB liability of the plans, calculated using the healthcare trend rate of from 7.00% to an ultimate rate of 5.00% for pre-Medicare and from 6.50% to an ultimate rate of 5.00% for post-Medicare, as well as what each plan's net OPEB liability would be if it were calculated using trend rates for each year that are 1.00% lower or 1.00% higher than the current rates:

Ultimate Trend Rate	1% Decrease 4.0%	Current Ultimate Trend Rate 5.0%	1% Increase 6.0%
Total OPEB Liability	\$111,720,841	\$114,309,481	\$115,412,999
Plan Net Position	61,754,539	61,754,539	61,754,539
Net OPEB Liability	\$49,966,302	\$52,554,942	\$53,658,460
Ratio of Plan Net Position to Total OPEB Liability	55.3%	54.0%	53.5%

5. Actuarial Methods and Assumptions

Actuarial assumptions for Determining Total OPEB Liability.

The total OPEB liability was determined by an actuarial valuation as of June 30, 2017, using the following actuarial assumptions, applied to all periods included in the measurement:

Investment Return	6.05%, net of investment expense and including inflation
Healthcare Trend	7.00% initially, grading down to 5.00% ultimate, for pre-Medicare and 6.50 initially, grading down to 5.00 ultimate for post-Medicare

Mortality rates are based on the VRS mortality tables, as applicable.

Actuarial Methods for Determining Employer Contributions.

The same economic and demographic assumptions are used for both funding and financial reporting purposes under GASB Statement No.74. The Entry Age method is used for accounting/GASB purposes; therefore, all of the actuarial figures within this report are based on it. Actuarially Determined Contributions are also based on the Entry Age method, with an open level percentage of payroll 30 year amortization of the unfunded liability (30 years remaining).

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 2017 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.

Projected health care cost trend rates for medical benefits (including prescription drugs) for Pre-Medicare rates begin at 6.0 percent initially, and are reduced by .50% over two years to an ultimate rate of 5 percent (6%, 5.5%, 5%, 5%, 5%, 5%, 5%). Post Medicare rates begin at 6.0 percent initially, and are reduced by .25% over four years to an ultimate rate of 5 percent (6.0%, 5.75%, 5.5%, 5.25%, 5%, 5%, 5%). These trend rates include an inflationary component of 2.5 percent.

Because the Schools is prefunding its benefits, the actuarial assumptions include a 7.0 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.

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 2036. Total costs for such leases were \$7,233,135 for fiscal year 2017. 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, 2017. Non-cancelable operating leases include the following minimum annual rental payments as of June 30, 2017:

Fiscal Year	Primary Government
2018	\$4,725,874
2019	2,506,747
2020	1,269,644
2021	701,666
2022	765,721
2023-2027	3,722,409
2028-2032	1,143,325
2033-2036	762,217
Total	\$15,597,603

NOTE XIII - CAPITAL LEASES

Capital leases for property and equipment include the following minimum annual lease payments as of June 30, 2017.

Fiscal Year	Primary Government		Component Unit-Schools	
	Principal	Interest	Principal	Interest
2018	\$ 19,580,000	\$ 10,493,365	\$ 9,992,315	\$ 301,582
2019	19,220,000	9,622,737	7,546,589	184,880
2020	19,340,000	8,785,894	5,063,626	92,270
2021	15,860,000	8,054,925	2,543,377	29,478
2022	15,995,000	7,359,653	-	-
2023-2027	69,375,000	26,439,607	-	-
2028-2032	58,800,000	11,618,328	-	-
2033-2037	35,395,000	2,483,494	-	-
Capital Lease Obligations	\$ 253,565,000	\$ 84,858,003	\$ 25,145,907	\$ 608,210

Capital leases payable as of June 30, 2017 are composed of the following individual items:

Date Issued	Final Maturity	Interest Rate	Issued Amount	Balance at June 30, 2017	Type of Project Financed (the assets acquired secured the related capital lease)
Primary Government					
12/10/08	Oct 2028	4.69%	46,240,000	4,645,000	Public Safety Facilities
06/17/09	Oct 2019	2.97%	36,000,000	10,800,000	Capital Vehicles / Computer Equipment
03/15/10	Feb 2030	3.43%	985,000	695,000	Public Safety Facilities
06/16/10	Oct 2030	3.84%	7,140,000	4,980,000	Landfill Facilities
06/28/11	May 2031	3.89%	36,240,000	27,530,000	Government Office Facilities
11/01/12	Dec 2023	1.68%	14,935,000	11,000,000	Public Safety Facility
02/25/15	Dec 2034	2.79%	30,985,000	26,975,000	Government Facilities / Transportation Project
11/12/15	Dec 2035	2.76%	75,390,000	71,350,000	Government Facilities / Computer Systems / Transportation Projects
06/08/16	Dec 2035	2.02%	35,795,000	34,690,000	Government Facilities / Transportation Project
11/17/16	Dec 2036	2.62%	60,900,000	60,900,000	Government Facilities / Transportation Projects
Total Primary Government			\$ 344,610,000	\$ 253,565,000	
Component Unit - Schools					
07/24/13	Jul 2017	0.99%	10,000,000	2,537,209	Capital Vehicles / Computers / Equipment
07/18/14	Jul 2018	1.20%	10,000,000	5,059,739	Capital Vehicles / Computers / Equipment
07/24/15	Jul 2019	1.32%	10,000,000	7,548,959	Capital Vehicles / Computers / Equipment
08/05/16	Aug 2020	1.16%	10,000,000	10,000,000	Capital Vehicles / Computers / Equipment
Total Component Unit - Schools			\$ 40,000,000	\$ 25,145,907	

Assets acquired under capital leases by major asset class for the Primary Government at June 30, 2017, are as follows:

Primary Government		
Major Asset Class	Issued Amount	Balance at June 30, 2017
Buildings	\$ 220,911,828	\$ 159,614,188
Computer Equipment	35,346,812	16,311,814
Vehicles	9,360,000	2,814,523
Total Primary Government	\$ 265,618,640	\$ 178,740,525

\$78,991,360 of the proceeds from capital leases entered into in Feb. 2015, Nov. 2015, June 2016 and Nov 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, 2017, \$74,824,475 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, 2017:

	Balance at June 30, 2016, Restated	Additions	Reductions	Balance at June 30, 2017	Amounts Due Within One Year
Primary Government					
Compensated Absences	\$ 28,508,111	\$ 3,496,745	\$ 1,707,429	\$ 30,297,427	\$ 1,664,844
Claims Payable	10,540,212	51,366,970	49,867,431	12,039,751	8,625,534
Landfill Closure and Postclosure Care	21,433,414	3,534,737	-	24,968,151	-
Other Postemployment Benefits	11,446,523	6,581,458	12,723,364	5,304,617	-
Net Pension Liability	58,277,249	67,168,192	39,166,134	86,279,307	-
LOSAP Total Pension Liability	36,516,331	2,223,897	3,450,222	35,290,006	-
General Obligation Bonds	955,640,000	108,730,000	98,085,000	966,285,000	98,660,000
Unamortized Bond Premium	69,860,848	11,749,650	9,675,998	71,934,500	10,146,343
Federal Loans	53,604,215	51,308,836	-	104,913,051	-
Capital Leases	210,135,000	60,900,000	17,470,000	253,565,000	19,580,000
Unamortized Lease Premium	20,153,475	8,809,409	3,088,575	25,874,309	3,272,169
Total Primary Government	\$ 1,476,115,378	\$ 375,869,894	\$ 235,234,153	\$ 1,616,751,119	\$ 141,948,890
Component Unit - Schools					
Compensated Absences	\$ 24,813,673	\$ 5,550,465	\$ 3,605,184	\$ 26,758,954	\$ 2,887,779
Claims Payable	14,088,330	154,055,951	150,863,389	17,280,892	16,762,465
Other Postemployment Benefits	96,059,435	21,861,000	26,321,831	91,598,604	-
Net Pension Liability	809,043,000	364,386,000	232,819,000	940,610,000	-
Capital Leases	25,118,510	10,000,000	9,972,603	25,145,907	9,992,314
Total Component Unit-Schools	\$ 969,122,948	\$ 555,853,416	\$ 423,582,007	\$ 1,101,394,357	\$ 29,642,558

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, 2017 are as follows:

General Obligation Bonds:Balance at June 30, 2017

\$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.	\$500,000
\$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.	3,030,000
\$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.	600,000
\$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.	3,000,000
\$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.	26,600,000
\$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.	\$7,600,000
\$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.	2,640,000

General Obligation Bonds:Balance at June 30, 2017

\$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.	8,675,000
\$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	7,370,000
\$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.	22,425,000
\$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.	93,060,000
\$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.	85,760,000
\$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.	43,035,000
\$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.	26,445,000
\$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.	3,700,000
\$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.	44,085,000
\$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.	86,875,000
\$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.	40,980,000
\$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.	38,420,000
\$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.	\$58,785,000
\$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.	39,935,000
\$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.	9,805,000

General Obligation Bonds:

Balance at June 30, 2017

\$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.

61,410,000

\$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.

\$142,820,000

\$108,730,000 Public Improvement Bonds, Series 2017A, due in annual installments of \$5,435,000 to \$5,440,000 through 2036, interest from 2.00% to 5.00%. The proceeds of these bonds will be used to finance the design, construction, and equipping of public schools and public school facilities; design and construction of a new animal shelter; design, construction, upgrade and equipping of parks and recreation facilities and fire/rescue stations; and transportation projects in the County.

\$108,730,000

Total General Obligation Bonds**\$966,285,000**

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, 2017 is \$104,913,051 capitalized interest on the outstanding principal balance is \$3,095,241 at June 30, 2017.

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

Primary Government Debt Service				
	General Obligation Bonds		Loans	
Year Ending June 30	Principal	Interest	Principal	Interest
2018	\$ 98,660,000	\$ 39,324,915	\$ -	\$ -
2019	94,640,000	35,366,127	-	1,590,352
2020	91,480,000	31,216,219	-	3,198,180
2021	85,275,000	27,212,831	-	3,189,442
2022	76,190,000	23,465,006	-	3,189,442
2023-2027	288,525,000	71,544,796	17,336,401	14,856,943
2028-2032	159,180,000	24,805,489	19,991,128	12,202,217
2033-2037	72,335,000	4,392,351	23,052,372	9,140,972
2038-2042	-	-	26,582,386	5,610,958
2043-2047	-	-	24,168,085	1,586,590
	-	-		
Total General Obligation Bonds and Loans Payable	\$ 966,285,000	\$ 257,327,734	\$ 111,130,372	\$ 54,565,096

Note: The principal amount of the loan includes future capitalized interest on the outstanding principal and capitalized interest as of June 30, 2017.

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, 2017, \$458,995,000 of bonds outstanding are considered defeased.

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 \$24,968,151 liability for landfill closure and postclosure care cost at June 30, 2017 represents the estimated liability based on the usage of 89.2% of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care in the amount of \$2,771,698 as the remaining estimated capacity is used. The estimated remaining life of the Loudoun County Landfill Disposal Unit is 2.1 years. The liability accrued at June 30, 2017 is based on what it would cost to perform all closure and postclosure care in 2017. 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 Principals, 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 of 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, 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>About VRS Plan 1 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>About VRS Plan 2 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>About the Hybrid Retirement Plan 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"> • The defined benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. • 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. • 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.
<p>Eligible Members 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>Hybrid Opt-In Election 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>Eligible Members 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>Hybrid Opt-In Election 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>Eligible Members 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"> • Political subdivision employees* • 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 <p>*Non-Eligible Members Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:</p> <ul style="list-style-type: none"> • Political subdivision employees who are covered by enhanced benefits for hazardous duty employees <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>Retirement Contributions 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>Retirement Contributions 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>Retirement Contributions 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>Creditable Service 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>Creditable Service Same as VRS Plan 1.</p>	<p>Creditable Service <u>Defined Benefit Component:</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. <u>Defined Contributions Component:</u> Under the defined contribution component, creditable service is used to determine vesting for the employer contribution portion of the plan.</p>
<p>Vesting 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. Members are always 100% vested in the contributions that they make.</p>	<p>Vesting Same as VRS Plan 1.</p>	<p>Vesting <u>Defined Benefit Component:</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. <u>Defined Contributions Component:</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. Members are always 100% vested in the contributions that they make. 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"> • After two years, a member is 50% vested and may withdraw 50% of employer contributions. • After three years, a member is 75% vested and may withdraw 75% of employer contributions. • After four or more years, a member is 100% vested and may withdraw 100% of employer contributions. <p>Distribution is not required by law until age 70½.</p>
<p>Calculating the Benefit 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.</p> <p>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.</p>	<p>Calculating the Benefit See definition under Plan 1.</p>	<p>Calculating the Benefit <u>Defined Benefit Component:</u> See definition under Plan 1</p> <p><u>Defined Contribution Component:</u> 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.</p>
<p>Average Final Compensation A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.</p>	<p>Average Final Compensation A member's average final compensation is the average of the 60 consecutive months of highest compensation as a covered employee.</p>	<p>Average Final Compensation Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.</p>
<p>Service Retirement Multiplier VRS: 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%.</p> <p>Sheriffs and regional jail superintendents: The retirement multiplier for sheriffs and regional jail superintendents is 1.85%.</p> <p>Political subdivision hazardous duty employees: 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.</p>	<p>Service Retirement Multiplier Same as Plan1 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</p> <p>Sheriffs and regional jail superintendents: Same as Plan 1.</p> <p>Political subdivision hazardous duty employees: Same as Plan 1.</p>	<p>Service Retirement Multiplier <u>Defined Benefit Component:</u> VRS: The retirement multiplier for the defined benefit component is 1.00%.</p> <p>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.</p> <p>Sheriffs and regional jail superintendents: Not applicable</p> <p>Political subdivision hazardous duty employees: Not applicable</p> <p>Defined Contribution Component: Not applicable.</p>
<p>Normal Retirement Age VRS: Age 65.</p> <p>Political subdivision hazardous duty employees: Age 60</p>	<p>Normal Retirement Age VRS: Normal Social Security retirement age.</p> <p>Political subdivision hazardous duty employees: Same as Plan 1.</p>	<p>Normal Retirement Age <u>Defined Benefit Component:</u> VRS: Same as Plan 2.</p> <p>Political subdivision hazardous duty employees: Not applicable.</p> <p><u>Defined Contribution Component:</u> Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>

<p>Earliest Unreduced Retirement Eligibility VRS: 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>Political subdivisions hazardous duty employees: Age 60 with at least five years of creditable service or age 50 with at least 25 years of creditable service.</p>	<p>Earliest Unreduced Retirement Eligibility VRS: 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>Political subdivisions hazardous duty employees: Same as Plan 1.</p>	<p>Earliest Unreduced Retirement Eligibility Defined Benefit Component: VRS: 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>Political subdivisions hazardous duty employees: Not applicable.</p> <p>Defined Contribution Component: Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p>Earliest Reduced Retirement Eligibility VRS: 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>Political subdivisions hazardous duty employees: 50 with at least five years of creditable service.</p>	<p>Earliest Reduced Retirement Eligibility VRS: Age 60 with at least five years (60 months) of creditable service.</p> <p>Political subdivisions hazardous duty employees: Same as Plan 1.</p>	<p>Earliest Unreduced Retirement Eligibility Defined Benefit Component: VRS: 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>Political subdivisions hazardous duty employees: Not applicable.</p> <p>Defined Contribution Component: Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p>Cost-of-Living Adjustment (COLA) in Retirement 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>Eligibility: 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>Exceptions to COLA Effective Dates: 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"> • The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013. • The member retires on disability. • The member retires directly from short-term or long-term disability under the Virginia Sickness and Disability Program (VSDP). • The member is involuntarily separated from employment for causes other 	<p>Cost-of-Living Adjustment (COLA) in Retirement 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>Eligibility: Same as Plan 1</p> <p>Exceptions to COLA Effective Dates: Same as Plan 1</p>	<p>Cost-of-Living Adjustment (COLA) in Retirement Defined Benefit Component: Same as Plan 2.</p> <p>Defined Contribution Component: Not applicable.</p> <p>Eligibility: Same as Plan 1 and Plan 2.</p> <p>Exceptions to COLA Effective Dates: Same as Plan 1 and Plan 2.</p>

<p>than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program.</p> <ul style="list-style-type: none"> • The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service 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. 		
<p>Disability Coverage 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.</p> <p>VSDP members are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.</p>	<p>Disability Coverage 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.</p> <p>VSDP members are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.</p>	<p>Disability Coverage 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.</p> <p>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.</p>
<p>Purchase of Prior Service 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.</p>	<p>Purchase of Prior Service Same as Plan 1.</p>	<p>Purchase of Prior Service <u>Defined Benefit Component:</u> Same as VRS Plan 1 with the following exceptions:</p> <ul style="list-style-type: none"> • Hybrid Retirement Plan members are ineligible for ported service. • The cost for purchasing refunded service is the higher of 4% of creditable compensation or average final compensation. • 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. <p><u>Defined Contribution Component:</u> Not applicable.</p>

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	882
Inactive Members:	
Vested	457
Non-Vested	878
Active Elsewhere in VRS	454
Total Inactive Members	1,789
Active Members	3,010
Total	5,681

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 recommended employer contribution rate for year ending June 30, 2017 was 9.46% 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 \$19,534,732 and \$19,659,398 for the years ended June 30, 2017 and June 30, 2016, respectively.

The County's net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2015, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2016.

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, 2015, 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, 2016.

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 0.17% 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 for Participants with General Employees Benefit coverage: 14 % of deaths are assumed to be service related

- a. Pre-Retirement RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with Males set forward 4 years and Females set back 2 years.
- b. Post-Retirement RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with Males set forward 1 year.
- c. Post-Disablement RP-2000 Disabled Life Mortality Table with Males set back 3 years and no provision for future mortality improvement.

Mortality Rates for Participants with Enhanced Hazardous Duty Benefit coverage: 60 % of deaths are assumed to be service related

- a. Pre-Retirement RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with Males set forward 2 years and Females set back 2 years.
- b. Post-Retirement RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with Males set forward 1 year.
- c. Post-Disablement RP-2000 Disabled Life Mortality Table with Males set back 3 years and no provision for future mortality improvement.

The actuarial assumptions used in the June 30, 2013 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 for the four-year period ending June 30, 2012 are summarized below:

STATE SYSTEM	ASSUMPTION CHANGE
State	<ul style="list-style-type: none"> • Update mortality table • Decrease rates of service retirement • Decrease rates of withdrawals for less than 10 years of service • Decrease rates of male disability retirement • Reduce rates of salary increase by 0.25% per year
Teachers	<ul style="list-style-type: none"> • Update mortality table • Adjustments to rates of service retirement • Decrease rates of withdrawals for three through nine years of service • Decrease rates of disability • 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 and the member rate. For the state plans, through the fiscal year ending June 30, 2018 the rates contributed by the employer will be subject to the portion of the Board rates as adopted by the Virginia legislature. From July 1, 2018 on, we assume 100% of the actuarially determined contribution rates will be payable for all the VRS plans. 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, 2015	\$ 611,188,521	\$ 552,911,272	\$ 58,277,249
Changes for the year:			
Service Cost	23,039,213	-	23,039,213
Interest	42,083,862	-	42,083,862
Difference between expected and actual experience	1,706,561	-	1,706,561
Contributions - employer	-	19,384,057	(19,384,057)
Contributions - employee	-	9,723,295	(9,723,295)
Net investment income	-	10,058,783	(10,058,783)
Benefit payments, including refunds of employee contributions	(19,980,996)	(19,980,996)	-
Administrative expense		(334,384)	334,384
Other changes		(4,173)	4,173
Net changes	46,848,640	18,846,582	28,002,058
Balances at June 30, 2016	\$ 658,037,161	\$ 571,757,854	\$ 86,279,307

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)	\$ 181,435,016	\$ 86,279,307	\$ 7,801,536

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

For the year ended June 30, 2017, the County recognized pension expense of \$17,085,357. At June 30, 2017, 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	\$ 1,385,175	\$ 1,488,254
Net difference between projected and actual earnings on plan investments	15,062,342	-
Employer contributions subsequent to the Measurement Date	19,534,732	-
Total	\$ 35,982,249	\$ 1,488,254

\$19,534,732 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, 2018. \$16,447,517 reported as deferred outflows of resources related to pensions, net of \$1,488,254 reported as deferred inflows of resources related to pensions, will be recognized in pension expense as follows:

Year Ended June 30:	
2018	\$ 358,382
2019	358,380
2020	8,166,265
2021	5,976,605
2022	99,631
Thereafter	-

(B) VOLUNTEER FIRE AND RESCUE RETIREMENT SYSTEM

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.

At June 30, 2017, the following participants were covered by the benefit terms:

Inactive participants currently receiving benefit payments	277
Inactive participants entitled to but not yet receiving benefit payments	680
Active participants	<u>1,104</u>
Total	<u>2,061</u>

Although assets have been accumulated in an irrevocable trust such that the assets are dedicated to providing pensions to plan members in accordance with benefit terms, the trust assets are not legally protected from creditors of the County. As such, the trust assets do not meet the criteria for trust reporting under GAAP in paragraph 4 of GASB Statement No. 73.

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).

Measurement of the Total Pension Liability

The County's total pension liability at the June 30, 2016 measurement date was determined using an actuarial valuation as of that date. The total pension liability at the June 30, 2017 measurement date was determined using an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability in the actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method:	Entry Age Normal
Inflation:	2.25%
Accumulation of excess points:	33% realization rate
Withdrawal rates:	2003 SOA Pension Plan Turnover Study Small Plan Age Table blended with Plan experience Age 20: 0.198 Age 30: 0.126 Age 40: 0.077 Age 50: 0.046
Salary Scale:	None assumed

Mortality rates were based on the RP-2014 Mortality Table without projection for mortality improvement and using a blend of 75% Male and 25% Female.

Discount Rate. The discount rate used to measure the total pension liability as of June 30, 2016 was 2.71%. This was the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2016. The discount rate used to measure the total pension liability as of June 30, 2017 was 3.13%. This was the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2017. In describing this index, S&P Dow Jones Indices notes that the index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years and with a rating of at least Aa2 by Moody's Investors Service's, AA by Fitch, or AA by Standard & Poor's Rating Services.

Changes in the Total Pension Liability

Balance as of 6/30/2016	\$ 36,516,331
Service Cost	1,208,588
Interest	1,015,308
Changes of assumptions or other inputs	(2,871,043)
Differences between expected and actual experience	(59,845)
Benefit Payments	<u>(519,334)</u>
Net Changes	<u>(1,226,325)</u>
Balance as of 6/30/2017	\$ <u>35,290,006</u>

Sensitivity of the Total Pension Liability to Changes in the Discount Rate

The following presents the total pension liability of the County as of June 30, 2017, calculated using the discount rate of 3.13 percent, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.13 percent) or 1-percentage point higher (4.13 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	2.13%	3.13%	4.13%
Total pension liability	\$42,699,097	\$35,290,006	\$29,592,016

Pension Expense and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2017, the County recognized pension expense of \$1,096,181. At June 30, 2017, the County reported deferred inflows of resources related to pensions from the following sources:

	Deferred Inflows of Resources
Differences between expected and actual experience	\$35,907
Changes of assumptions or other inputs	1,722,626
Total	\$1,758,533

Amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2018	\$(1,172,355)
2019	(586,178)
2020	-
2021	-
2022	-
Thereafter	-

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 \$9,425,657, and unspent donations in the amount of \$244,522. Unearned revenues of the component unit consist of advanced meal payments in the amount of \$1,047,701 and grant funding received before eligibility requirements were met in the amount of \$3,154,131.

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, 2017 consist of:

Governmental Funds	Amount
Unavailable Taxes - taxes not paid within sixty days of June 30, 2017	\$ 12,348,926
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	551,890,619
Prepaid Taxes - taxes due subsequent to June 30, 2017, but paid in advance by taxpayers	22,271,638
	<u>\$ 586,511,183</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 \$32.2 million at June 30, 2017.

NOTE XX – FUND BALANCE CLASSIFICATION

Specific purpose details for fund balance classifications displayed in the aggregate for governmental funds as of June 30, 2017 are as follows:

<u>FY 2017</u>	General	Capital Projects	Debt Service	Non-Major Governmental	Total Governmental Funds
Fund Balance:					
Nonspendable:					
Inventories	\$ -	\$ -	\$ -	\$ -	\$ -
Notes and Loans	1,044,405	-	-	-	1,044,405
Prepays	364,830	-	-	180,365	545,195
Subtotal Nonspendable	\$ 1,409,235	\$ -	\$ -	\$ 180,365	\$ 1,589,600
Restricted for:					
Public Safety Facilities & Equipment	\$ -	\$ 38,204,373	\$ -	\$ 37,634	\$ 38,242,007
Public Safety CAD & E911 Systems	-	4,707,778	-	-	4,707,778
Animal Shelter	-	-	-	436,238	436,238
General Government Facilities	-	10,040,181	-	-	10,040,181
Audio Visual Equipment	-	3,264,201	-	-	3,264,201
Radio Communications System	-	-	-	52,434	52,434
Law Library	-	-	-	9,370	9,370
Courts Complex Improvements	-	3,503,055	-	-	3,503,055
Road & Sidewalk Improvements & Construction	-	96,608,380	-	57,535,006	154,143,386
Group Home Improvements	-	1,492,485	-	-	1,492,485
Health & Welfare Programs	-	-	-	3,400,022	3,400,022
Emergency Medical Transport Program	-	-	-	3,624,764	3,624,764
Housing Assistance Programs	-	-	-	28,838,347	28,838,347
Library Improvements, Materials, and Equipment	-	3,817,670	-	4,364,020	8,181,690
Parks, Community Centers & Recreation Centers	-	81,771,782	-	16,365,290	98,137,072
Mass Transit	-	24,538,892	-	73,272,620	97,811,512
Tourism	-	-	-	529,420	529,420
Juvenile Detention Center Addition	-	11,906,254	-	-	11,906,254
Youth Shelter Renovation	-	1,139,992	-	-	1,139,992
Landfill and Wastewater Infrastructure	-	2,104,753	-	42,371	2,147,124
School Land Acquisition	-	-	-	-	-
Subtotal Restricted	\$ -	\$ 283,099,796	\$ -	\$ 188,507,536	\$ 471,607,332
Committed to:					
Fiscal Reserve	\$ 180,796,976	\$ -	\$ -	\$ 387,750	\$ 181,184,726
Fire & Rescue Revolving Loans	4,105,477	-	-	-	4,105,477
Computer Systems Replacements and Upgrades	2,312,925	-	-	1,103,902	3,416,827
ERP Project / Initiatives	-	5,022,995	-	-	5,022,995
Audio Visual Equipment	-	329,640	-	-	329,640
Courts Complex Improvements	76,294	-	-	34,619	110,913
Public Safety Facilities	1,212,006	7,944,028	-	-	9,156,034
Public Safety CAD & E911 Systems	-	403,549	-	-	403,549
Public Safety Equipment	-	3,751,185	-	-	3,751,185
Public Safety Firing Range	-	3,959,212	-	-	3,959,212
Adult Detention Center	-	260,000	-	-	260,000
General Government Facilities	2,498,462	381,326	-	2,401,133	5,280,921
Road & Sidewalk Improvements & Construction	-	47,541,377	-	-	47,541,377
Parking Garages	-	1,530,639	-	-	1,530,639

<u>FY 2017</u>	General	Capital Projects	Debt Service	Non-Major Governmental	Total Governmental Funds
Committed to:					
Group Home Improvements	1,100,968	98,380	-	-	1,199,348
Housing Assistance Programs	-	-	-	1,100,000	1,100,000
CSA At Risk Youth and Families	-	-	-	4,591,690	4,591,690
Library Improvements, Materials, and Equipment	-	49,376	-	-	49,376
Landfill and Wastewater Infrastructure	-	20,230,714	-	185,286	20,416,000
Major Equipment Replacement	-	-	-	5,116,167	5,116,167
Parks, Community Centers & Recreation Centers	1,077,026	13,263,539	-	269,913	14,610,478
Youth Shelter Renovation	-	100,000	-	-	100,000
Commercial & Rural Economic Development	908,924	-	-	-	908,924
Mass Transit	-	2,957,161	-	-	2,957,161
Volunteer Fire and Rescue LOSAP Pension Benefits	18,864,126	-	-	-	18,864,126
County and School Land Acquisition	-	7,578,501	-	-	7,578,501
Subtotal Committed	\$ 212,953,184	\$ 115,401,622	\$ -	\$ 15,190,460	\$ 343,545,266
Assigned to:					
Debt Service	\$ -	\$ -	\$ 34,873,402	\$ -	\$ 34,873,402
Budgeted Use of Fund Balance	53,383,054	-	\$ 8,000,000	91,000	61,474,054
Computer Systems Replacements and Upgrades	317,766	-	-	-	317,766
Courts Complex Improvements	3,940	-	-	-	3,940
Public Safety Facilities/Firing Range/CAD System	210,540	-	-	-	210,540
County Facilities Repairs and Improvements	81,918	-	-	503	82,421
Health and Welfare Programs	263,452	-	-	-	263,452
Housing Assistance Programs	-	-	-	3,000,000	3,000,000
Parks, Recreation and Cultural	292,132	-	-	-	292,132
Community Development and Transit Projects	174,167	-	-	-	174,167
Road & Sidewalk Improvements & Construction	-	103,200	-	196,538	299,738
Construction of Courthouse Memorials	50,000	-	-	-	50,000
Future Capital Projects	-	8,263,530	-	-	8,263,530
Subtotal Assigned	\$ 54,776,969	\$ 8,366,730	\$ 42,873,402	\$ 3,288,041	\$ 109,305,142
Unassigned:					
	\$ 68,520,205	\$ -	\$ -	\$ -	\$ 68,520,205
Subtotal Unassigned	\$ 68,520,205	\$ -	\$ -	\$ -	\$ 68,520,205
Total Fund Balance	\$ 337,659,593	\$ 406,868,148	\$ 42,873,402	\$ 207,166,402	\$ 994,567,545

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, 2017, 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 – 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 recognize a liability for total pension liability; therefore, the implementation of this statement resulted in the restatement of net position in the Governmental Activities as of June 30, 2016 by \$36,516,331.

The County has been incorrectly reporting a restricted asset in the Transportation District Fund which represents gas tax collected by the Northern Virginia Transportation Commission (NVTC). This money is held in escrow for the County, but is not available to the County until expenditures are incurred and billed to NVTC for reimbursement. Correcting the accounting of these transactions resulted in a prior period adjustment that restated the net position in the Governmental Activities and the fund balance in the Non-Major Governmental Funds as of June 30, 2016 by \$17,569,319. The impact on the 2016 change in net position and fund balance was \$2,459,680.

	Governmental Activities	Non-major Governmental Funds
Net position/fund balance, June 30, 2016, as previously reported	\$701,921,369	\$209,037,164
Change in Accounting Principle	(36,516,331)	-
Prior Period Adjustment	(17,569,319)	(17,569,319)
Net position/fund balance, June 30, 2016, restated	<u>\$647,835,719</u>	<u>\$191,467,845</u>

Required Supplementary Information



Rural Western Loudoun



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**COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (Inflows)				
General Property Taxes	\$ 1,061,965,300	\$ 1,061,979,100	\$ 1,113,925,774	\$ 51,946,674
Other Local Taxes	148,586,030	148,586,030	161,480,151	12,894,121
Permits and Licenses	22,489,415	22,489,415	24,158,503	1,669,088
Fines and Forfeitures	2,241,650	2,241,650	2,068,578	(173,072)
Use of Money and Property	4,394,082	4,402,962	8,569,985	4,167,023
Charges for Services	33,099,395	37,156,496	36,969,037	(187,459)
Gifts and Donations	58,635	241,292	192,565	(48,727)
Miscellaneous	154,685	155,871	268,407	112,536
Sales of Capital Assets	-	24,192	47,716	23,524
Recovered Costs	8,933,012	9,234,322	9,674,223	439,901
Payment from Component Unit	-	28,417,114	28,417,114	-
Intergovernmental - Commonwealth	84,555,679	89,383,637	85,866,343	(3,517,294)
Intergovernmental - Federal	4,787,920	8,987,439	8,190,694	(796,745)
Transfers from Other Funds	15,833,166	13,494,498	13,129,986	(364,512)
Amounts Available for Appropriation	1,387,098,969	1,426,794,018	1,492,959,076	66,165,058
Charges to Appropriations (Outflows)				
General Government Administration	79,059,242	76,527,967	81,082,237	(4,554,270)
Judicial Administration	14,866,204	15,333,809	14,381,114	952,695
Public Safety	181,516,718	188,074,409	175,863,532	12,210,877
Public Works	17,659,596	19,425,780	17,023,383	2,402,397
Health and Welfare	72,338,657	82,484,390	72,084,756	10,399,634
Parks, Recreation and Culture	55,564,159	57,574,865	52,619,454	4,955,411
Community Development	54,136,618	55,575,541	50,335,005	5,240,536
Education	714,405,119	729,920,420	729,948,688	(28,268)
Transfers to Other Funds	224,589,703	248,831,909	248,291,982	539,927
Total Charges to Appropriations	1,414,136,016	1,473,749,090	1,441,630,151	32,118,939
Excess (Deficiency) of Resources Over (Under)				
Charges to Appropriations	(27,037,047)	(46,955,072)	51,328,925	98,283,997
Fund Balance at Beginning of Year	286,330,668	286,330,668	286,330,668	-
Fund Balance at End of Year	\$ 259,293,621	\$ 239,375,596	\$ 337,659,593	\$ 98,283,997

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, 2017**

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 Budget 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		
	2016	2015	2014
Total pension liability			
Service cost	\$ 23,039,213	\$ 22,353,385	\$ 21,840,726
Interest	42,083,862	39,237,646	36,294,239
Differences between expected and actual experience	1,706,561	(2,390,226)	-
Benefit Payments, including refunds of employee contributions	(19,980,996)	(17,100,175)	(15,072,398)
Net change in total pension liability	46,848,640	42,100,630	43,062,567
Total pension liability - beginning	611,188,521	569,087,891	526,025,324
Total pension liability - ending (a)	\$ 658,037,161	\$ 611,188,521	\$ 569,087,891
Plan fiduciary net position			
Contributions - employer	\$ 19,384,057	\$ 18,748,497	\$ 19,154,774
Contributions - employee	9,723,295	9,261,311	9,032,627
Net investment income	10,058,783	24,118,127	69,969,273
Benefit Payments, including refunds of employee contributions	(19,980,996)	(17,100,175)	(15,072,398)
Administrative expense	(334,384)	(314,292)	(361,756)
Other	(4,173)	(5,153)	3,687
Net change in total pension liability	18,846,582	34,708,315	82,726,207
Plan fiduciary net position - beginning	552,911,272	518,202,957	435,476,750
Plan fiduciary net position - ending (b)	571,757,854	552,911,272	518,202,957
Net pension liability - ending (a) - (b)	\$ 86,279,307	\$ 58,277,249	\$ 50,884,934
Plan fiduciary net position as a percentage of the total Pension liability	86.89%	90.46%	91.06%
Covered-employee payroll	\$ 195,740,717	\$ 187,826,635	\$ 180,313,939
Net pension liability as a percentage of covered payroll	44.08%	31.03%	28.22%

COMPONENT UNIT - NON-PROFESSIONAL PLAN

Total pension liability			
Service cost	\$ 5,258,000	\$ 5,228,000	\$ 5,409,000
Interest	8,778,000	8,227,000	7,606,000
Differences between expected and actual experience	905,000	(902,000)	-
Benefit Payments, including refunds of employee contributions	(4,947,000)	(4,410,000)	(3,882,000)
Net change in total pension liability	9,994,000	8,143,000	9,133,000
Total pension liability - beginning	127,874,000	119,731,000	110,598,000
Total pension liability - ending (a)	\$ 137,868,000	\$ 127,874,000	\$ 119,731,000
Plan fiduciary net position			
Contributions - employer	\$ 3,731,000	\$ 3,637,000	\$ 3,657,000
Contributions - employee	2,587,000	2,527,000	2,521,000
Net investment income	2,186,000	5,276,000	15,392,000
Benefit Payments, including refunds of employee contributions	(4,947,000)	(4,410,000)	(3,882,000)
Administrative expense	(73,000)	(69,000)	(80,000)
Other	(1,000)	(2,000)	-
Net change in total pension liability	3,483,000	6,959,000	17,608,000
Plan fiduciary net position - beginning	121,123,000	114,164,000	96,556,000
Plan fiduciary net position - ending (b)	124,606,000	121,123,000	114,164,000
Net pension liability - ending (a) - (b)	\$ 13,262,000	\$ 6,751,000	\$ 5,567,000
Plan fiduciary net position as a percentage of the total Pension liability	90.38%	94.72%	95.35%
Covered-employee payroll	\$ 53,004,200	\$ 50,973,799	\$ 50,095,243
Net pension liability as a percentage of covered payroll	25.02%	13.24%	11.11%

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

Fiscal Year	Employer's Proportion of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2017	6.62%	\$ 927,348,000	\$ 522,745,000	177.40%	68.28%
2016	6.37%	\$ 802,292,000	\$ 506,291,000	158.46%	70.68%
2015	6.15%	\$ 743,824,733	\$ 477,137,000	155.89%	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
2017	\$ 18,517,072	\$ 19,033,096	\$ 516,024.00	\$ 195,740,717	9.72%
2016	\$ 19,379,659	\$ 19,379,659	\$ -	\$ 187,826,635	10.32%
2015	\$ 18,711,241	\$ 18,711,241	\$ -	\$ 180,313,939	10.38%

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
2017	\$ 3,150,157	\$ 3,088,000	\$ 62,157	\$ 53,665,361	5.75%
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
2017	\$ 79,589,441	\$ 78,001,000	\$ 1,588,441	\$ 542,902,050	14.37%
2016	\$ 71,353,037	\$ 70,276,318	\$ 1,076,719	\$ 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, 2017**

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 LENGTH OF SERVICE RETIREMENT PLAN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY**

	Measurement Date 6/30/2017
Total Pension Liability	
Service cost	\$ 1,208,588
Interest	1,015,308
Changes of assumptions or other inputs	(2,871,043)
Differences between expected and actual experience	(59,844)
Benefit Payments	(519,334)
Net change in total pension liability	(1,226,325)
Total pension liability - beginning	36,516,331
Total pension liability - ending	\$ 35,290,006
 Covered Payroll	 NA
 Total pension liability as a percentage of covered employee payroll	 NA

Notes to Required Supplementary Information

There are no assets accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement No. 73 to pay related benefits.

The discount rate used to measure the total pension liability was based on the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index. The discount rate was changed from 2.71% as of 6/30/2016 to 3.13% as of 6/30/2017.

There is no covered employee payroll since this plan provides benefits for volunteers.

This schedule is intended to show information for 10 years. Since 2017 is the first year for this presentation, ten years of data is not available. However, additional years will be included as they become available.

**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)
Primary Government	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%
	6/30/2009	3,061,877	125,234,991	122,173,114	2.44%	169,779,501	71.96%
	6/30/2007	-	138,900,336	138,900,336	0.00%	149,394,123	92.98%
 Component Unit	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%
	07/01/2012	52,500,000	351,778,821	299,278,821	14.92%	365,332,000	81.92%
	07/01/2011	35,159,000	313,999,000	278,840,000	11.20%	365,332,000	76.33%
	07/01/2009	7,183,273	341,943,541	334,760,268	2.10%	433,438,915	77.23%

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
6/30/2017	6,581,458	193.32%
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%
6/30/2012	11,469,215	83.72%
6/30/2011	10,146,332	80.62%
6/30/2010	10,451,743	67.60%
6/30/2009	12,217,502	42.26%

SCHEDULE OF EMPLOYER CONTRIBUTIONS (Unaudited):

Component Unit - Schools Other Postemployment Benefits		
Fiscal Year Ending	Annual Required Contribution	Percentage Contributed
6/30/2017	\$ 21,861,000	120.41%
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%
6/30/2012	36,075,263	64.36%
6/30/2011	30,439,222	64.55%
6/30/2010	31,542,472	47.54%
6/30/2009	34,628,926	32.56%

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

Changes in Net OPEB Liability - Primary Government

	<u>6/30/2017</u>
Total OPEB Liability	
Service Cost *	\$ 1,369,218
Interest	6,644,009
Benefit payments **	<u>(4,243,376)</u>
Net Change in Total OPEB Liability	3,769,851
Total OPEB Liability - Beginning of Year	110,539,630
Total OPEB Liability - End of Year (a)	<u><u>\$ 114,309,481</u></u>
 Plan Fiduciary Net Position	
Contributions - employer ***	\$ 9,743,376
Net investment income	4,398,405
Benefit payments **	(4,243,376)
Administrative expense	<u>(36,045)</u>
Net Change in Plan Fiduciary Net Position	9,862,360
Plan Fiduciary Net Position - Beginning of Year	51,892,179
Plan Fiduciary Net Position - End of Year (b)	61,754,539
Net OPEB Liability - End of Year (a-b)	<u><u>\$ 52,554,942</u></u>
 Plan Fiduciary Net Position as a percentage of Total OPEB Liability	54.0%
Covered-Employee Payroll	\$ 167,365,462
Net OPEB Liability as a percentage of Covered Payroll	31.4%

* Excludes Defined Contribution portion of the plan.

** Includes implicit subsidy.

*** Excludes Defined Contribution portion of plan, includes implicit subsidy

Note: This schedule is intended to show information for 10 years. Since 2017 was the first year for this presentation, ten years of data is not available. However, additional years will be included as they become available.

Changes in Net OPEB Liability - Component Unit

	<u>6/30/2017</u>
Total OPEB Liability - End of Year (a)	<u><u>\$ 299,301,000</u></u>
 Plan Fiduciary Net Position	
Contributions - employer ***	\$ 12,000,000
Net investment income	10,053,901
Administrative expense	(500)
Other	<u>(81,795)</u>
Net Change in Plan Fiduciary Net Position	21,971,606
Plan Fiduciary Net Position - Beginning of Year	118,843,399
Plan Fiduciary Net Position - End of Year (b)	140,815,005
Net OPEB Liability - End of Year (a-b)	<u><u>\$ 158,485,995</u></u>
 Plan Fiduciary Net Position as a percentage of Total OPEB Liability	47.05%
Covered-Employee Payroll	\$ 522,745,000
Net OPEB Liability as a percentage of Covered Payroll	30.32%

(1) GASB 74 was effective first for employer fiscal years beginning after June 15, 2016

(2) July 1, 2017 covered payroll was projected from the July 1, 2015 covered payroll using the assumed payroll growth rate of 3.0%

(3) Schedule is intended to show information for 10 years. Since 2017 is the first year for this presentation, ten years of data is not available. However, additional years will be included as they become available.

COUNTY OF LOUDOUN, VIRGINIA
OTHER POSTEMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Employer Contributions

Fiscal Year	Actuarially Determined Employer Contribution	Actual Employer Contribution	Contribution Deficiency/ (Excess)	Covered Employee Payroll	Contribution as a Percent of Covered Employee Payroll
2017	\$ 6,467,000	\$ 12,723,364	\$ (6,256,364)		
2016	6,467,000	10,185,553	(3,718,553)	157,758,000	6.46%
2015	7,232,354	12,431,000	(5,198,646)		
2014	6,934,044	11,761,000	(4,826,956)	165,086,216	7.12%
2013	11,473,875	11,406,000	67,875		
2012	11,469,000	9,602,000	1,867,000	163,737,000	5.86%
2011	10,146,000	8,180,000	1,966,000		
2010	10,451,743	7,065,382	3,386,361	169,779,501	4.16%

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

Long-term Weighted Expected Rate of Return - County

The long term expected rate of return on pension plan investments was determined using a building block method in which best estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. This is then modified through a Monte Carlo simulation process, by which a (downward) risk adjustment is applied to the baseline expected return.

Best estimates of real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2017, and the final investment return assumption, are summarized in the following table:

Asset Class	Long-Term Expected Real Return - Portfolio	Weight
Domestic Equity	5.75%	21%
International Funds	6.25%	11%
Fixed Income	2.75%	58%
Real Estate	4.45%	3%
Commodities	2.55%	2%
Hedged Equity/Fixed	3.85%	5%
Total Weighted Average Real Return	3.87%	100%
Plus Inflation	2.50%	
Total Return w/o Adjustment	6.37%	
Risk Adjustment	-0.32%	
Total Expected Return	6.05%	

Long-term Weighted Expected Rate of Return - Component Unit

Asset Class	Long-Term Expected Real Return - Portfolio	Weight
Domestic Equity (Large Cap)	6.50%	29%
Domestic Equity (Small Cap)	7.00%	12%
International Equity	7.30%	14%
Emerging Markets Equity	7.80%	6%
Private Equity	9.00%	1%
Core US Fixed Income	3.50%	6%
Corporate Fixed Income	4.20%	13%
Cash	2.60%	0%
Hedge Funds	5.60%	10%
Real Estate	5.20%	7%
Commodities	5.30%	2%
Total Expected Return	7.00%	100%

Other Supplementary Information



Grand Opening Ceremony for the new Sterling Library, April 15, 2017



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GENERAL FUND



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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, 2017
(With Comparative Actual Amounts for 2016)

	2017			2016
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
From local sources:				
<u>General Property Taxes:</u>				
Real Property Taxes	\$ 800,002,000	\$ 797,045,007	\$ (2,956,993)	\$ 763,644,540
Real and Personal Public Service Corporation Property Taxes	22,355,000	23,948,534	1,593,534	23,003,783
Personal Property Taxes	233,476,800	278,583,432	45,106,632	236,216,594
Machinery and Tools Taxes	1,187,300	1,627,470	440,170	1,242,313
Penalties and Interest	4,958,000	12,721,331	7,763,331	9,650,788
Total General Property Taxes	1,061,979,100	1,113,925,774	51,946,674	1,033,758,018
<u>Other Local Taxes</u>				
Local Sales and Use Taxes	68,775,000	72,469,150	3,694,150	68,976,067
Business License Taxes	33,617,650	35,210,681	1,593,031	31,785,671
Consumer Utility Taxes	22,562,880	21,807,354	(755,526)	21,555,702
Taxes on Recordation and Wills	10,750,000	13,495,539	2,745,539	10,786,451
Motor Vehicle Licenses	7,195,500	7,091,920	(103,580)	6,817,105
Bank Franchise Taxes	3,100,000	8,916,977	5,816,977	3,870,002
Hotel and Motel Room Taxes	2,585,000	2,488,530	(96,470)	2,336,629
Total Other Local Taxes	148,586,030	161,480,151	12,894,121	146,127,627
<u>Permits, Privilege Fees and Regulatory Licenses:</u>				
Animal Licenses	434,750	468,740	33,990	459,720
Permits and Other Licenses	22,054,665	23,689,763	1,635,098	21,925,275
Total Permits, Privilege Fees and Regulatory Licenses	22,489,415	24,158,503	1,669,088	22,384,995
<u>Fines and forfeitures:</u>				
Fines and Forfeitures	2,241,650	2,068,578	(173,072)	1,726,649
Total Fines and Forfeitures	2,241,650	2,068,578	(173,072)	1,726,649
<u>Revenue from Use of Money and Property:</u>				
Revenue from Use of Money	1,102,546	5,586,414	4,483,868	2,041,932
Revenue from Use of Property	3,300,416	2,983,571	(316,845)	3,790,559
Total Revenue from Use of Money and Property	4,402,962	8,569,985	4,167,023	5,832,491
<u>Charges for Services:</u>				
Parks, Recreation and Community Services	17,448,338	16,923,470	(524,868)	17,099,425
Transportation and Capital Infrastructure	9,198,510	9,192,829	(5,681)	8,265,628
General Services	7,561,434	7,243,750	(317,684)	5,698,333
Treasurer	477,600	848,889	371,289	679,006
Clerk of the Circuit Court	845,000	1,047,008	202,008	933,060
Mental Health, Substance Abuse and Development Svcs	745,500	856,099	110,599	713,154
Sheriff's Office	581,847	487,816	(94,031)	404,186
Commissioner of the Revenue	-	1,326	1,326	190,598
Animal Services	91,200	119,223	28,023	92,319
Community Corrections	101,294	130,744	29,450	108,659
Library	42,223	35,642	(6,581)	39,292
Building and Development	39,000	52,012	13,012	23,409
Mapping and Geographic Information	15,800	10,095	(5,705)	12,866
Commonwealth's Attorney	-	10,871	10,871	9,973
Health Services	8,650	5,262	(3,388)	2,099
Boards, Commissions and Committees	-	72	72	90
Fire, Rescue and Emergency Management	-	1,413	1,413	1,155
Management and Financial Services	100	-	(100)	45
County Administrator	-	-	-	36
Planning	-	1,823	1,823	310
Information Technology	-	-	-	70
County Attorney	-	693	693	250
Total Charges for Services	37,156,496	36,969,037	(187,459)	34,273,963
<u>Miscellaneous Revenue:</u>				
Payments from Component Unit	28,417,114	28,417,114	-	-
Gifts and Donations	241,292	192,565	(48,727)	129,686
Miscellaneous Revenue	155,871	268,407	112,536	381,708
Total Miscellaneous Revenue	28,814,277	28,878,086	63,809	511,394

COUNTY OF LOUDOUN, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Actual Amounts for 2016)

	2017			2016
	Final Budget	Actual	Variance Positive (Negative)	Actual
<u>Recovered Costs:</u>				
Recovered Costs	9,234,322	9,674,223	439,901	8,798,645
Total Recovered Costs	9,234,322	9,674,223	439,901	8,798,645
Total from Local Sources	1,314,904,252	1,385,724,337	70,820,085	1,253,413,782
From the Commonwealth:				
<u>Non-categorical Aid:</u>				
State Property Tax Reimbursement	48,071,696	48,070,701	(995)	48,070,701
Auto Daily Rental Tax	6,200,000	6,342,641	142,641	6,068,795
Taxes on Deeds	2,700,000	3,435,993	735,993	3,036,533
State Revenue Reductions	-	-	-	4,985
Mobile Home Titling Taxes	-	5,882	5,882	1,890
Motor Vehicle Carrier's Taxes	-	6,276	6,276	3,204
Total Non-categorical Aid	56,971,696	57,861,493	889,797	57,186,108
<u>Shared Expenses:</u>				
Sheriff's Office	12,554,799	13,002,826	448,027	13,149,022
Clerk of the Circuit Court	1,074,666	1,030,134	(44,532)	1,026,293
Commonwealth's Attorney	833,230	798,010	(35,220)	951,185
Treasurer	325,171	326,239	1,068	327,977
Commissioner of Revenue	306,023	334,560	28,537	338,780
General Registrar	-	-	-	100,117
Electoral boards	83,683	86,875	3,192	103,489
Total Shared Expenses	15,177,572	15,578,644	401,072	15,996,863
<u>Categorical Aid:</u>				
Transportation & Capital Infrastructure	3,647,849	3,623,877	(23,972)	3,102,650
Mental Health, Substance Abuse and Development Svcs	6,833,669	4,158,099	(2,675,570)	3,158,309
Family Services	2,978,407	2,957,975	(20,432)	2,804,955
Fire and Rescue	2,541,699	473,695	(2,068,004)	231,202
Community Corrections	662,763	658,764	(3,999)	657,187
Clerk of the Circuit Court	29,753	28,020	(1,733)	-
Non-departmental	5,000	-	(5,000)	5,000
Library	211,650	211,650	-	199,643
Parks, Recreation and Community Services	179,894	179,894	-	198,445
General Services	58,685	58,685	-	60,408
Sheriff's Office	40,000	30,547	(9,453)	38,156
Commonwealth's Attorney	45,000	45,000	-	45,000
Total Categorical Aid	17,234,369	12,426,206	(4,808,163)	10,500,955
Total from the Commonwealth	89,383,637	85,866,343	(3,517,294)	83,683,926
From the Federal Government:				
<u>Payments in Lieu of Taxes:</u>				
<u>Non-departmental:</u>				
Federally Owned Entitlement Lands	1,800	3,292	1,492	3,468
Total Payments in Lieu of Taxes	1,800	3,292	1,492	3,468
<u>Categorical Aid:</u>				
Family Services	7,071,434	7,049,165	(22,269)	6,260,891
Transportation & Capital Infrastructure	58,390	58,390	-	56,416
Mental Health, Substance Abuse and Development Svcs	789,148	548,596	(240,552)	388,212
Parks, Recreation and Community Services	445,490	434,398	(11,092)	391,401
Sheriff's Office	403,961	75,989	(327,972)	104,935
Fire and Rescue	9,762	-	(9,762)	46,181
Electoral Board	-	-	-	3,500
Office of the County Administrator	153,308	-	(153,308)	-
Community Corrections	42,120	8,838	(33,282)	-
Planning	12,026	12,026	-	-
Total Categorical Aid	8,985,639	8,187,402	(798,237)	7,251,536
Total from the Federal Government	8,987,439	8,190,694	(796,745)	7,255,004
Total Revenues	1,413,275,328	1,479,781,374	66,506,046	1,344,352,712

COUNTY OF LOUDOUN, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Actual Amounts for 2016)

	2017			2016
	Final Budget	Actual	Variance Positive (Negative)	Actual
EXPENDITURES				
<u>General Government Administration:</u>				
Legislative:				
Boards, Commissions and Committees	2,600,258	2,352,032	248,226	2,163,003
Office of the County Administrator	853,886	806,027	47,859	763,960
Total Legislative	3,454,144	3,158,059	296,085	2,926,963
General and Financial Administration:				
Information Technology	31,331,143	28,403,612	2,927,531	25,413,355
Management and Financial Services	13,535,735	13,028,981	506,754	11,155,810
Commissioner of Revenue	6,975,691	6,694,456	281,235	6,186,123
Non-departmental	(2,220,752)	9,312,259	(11,533,011)	7,662,225
Transportation & Capital Infrastructure	5,538,206	4,920,703	617,503	4,839,806
Treasurer	5,182,634	5,109,515	73,119	4,603,002
General Services	5,456,379	3,456,918	1,999,461	2,851,055
County Attorney	3,209,012	3,084,874	124,138	3,628,847
County Administrator	2,140,277	2,002,456	137,821	1,891,421
Total General and Financial Administration	71,148,325	76,013,774	(4,865,449)	68,231,644
Elections Administration:				
General Registrar	1,894,498	1,723,337	171,161	1,524,075
General Services	31,000	187,067	(156,067)	269,195
Total Elections Administration	1,925,498	1,910,404	15,094	1,793,270
Total General Government Administration	76,527,967	81,082,237	(4,554,270)	72,951,877
<u>Judicial Administration:</u>				
Courts:				
Sheriff's Office	4,578,421	4,342,222	236,199	4,344,097
Clerk of the Circuit Court	4,509,027	4,318,077	190,950	4,112,429
Courts (Circuit and District)	1,534,683	1,425,348	109,335	1,364,039
General Services	1,143,020	708,228	434,792	801,744
Total Courts	11,765,151	10,793,875	971,276	10,622,309
Commonwealth's Attorney:				
Commonwealth's Attorney	3,562,098	3,563,000	(902)	3,373,625
General Services	6,560	24,239	(17,679)	17,863
Total Commonwealth's Attorney	3,568,658	3,587,239	(18,581)	3,391,488
Total Judicial Administration	15,333,809	14,381,114	952,695	14,013,797
<u>Public Safety:</u>				
Law Enforcement:				
Sheriff's Office	60,088,591	56,154,861	3,933,730	52,616,339
Regional Organizations & Contributions	665,240	665,240	-	507,575
General Services	1,563,143	1,207,507	355,636	1,018,510
Total Law Enforcement	62,316,974	58,027,608	4,289,366	54,142,424
Traffic Control:				
Sheriff's Office	3,322,715	3,079,394	243,321	2,919,214
Total Traffic Control	3,322,715	3,079,394	243,321	2,919,214
Fire, Rescue and Emergency Management:				
Fire, Rescue and Emergency Services	70,467,565	67,053,837	3,413,728	65,535,963
General Services	1,765,677	1,567,571	198,106	2,249,011
Total Fire, Rescue and Emergency Management	72,233,242	68,621,408	3,611,834	67,784,974
Corrections and Juvenile Detention:				
Sheriff's Office	21,993,396	20,073,955	1,919,441	19,920,291
Family Services	3,132,527	2,758,722	373,805	2,708,764
Juvenile Court Service Unit	2,150,416	2,081,787	68,629	1,899,150
Community Corrections	2,242,687	2,071,585	171,102	2,011,423
Regional Organizations & Contributions	506,296	506,297	(1)	509,584
General Services	1,104,284	1,332,809	(228,525)	1,297,695
Total Corrections and Juvenile Detention	31,129,606	28,825,155	2,304,451	28,346,907

COUNTY OF LOUDOUN, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Actual Amounts for 2016)

	2017			2016
	Final Budget	Actual	Variance Positive (Negative)	Actual
Inspections:				
Building and Development	9,461,257	8,247,065	1,214,192	7,813,559
General Services	-	280,072	(280,072)	275,633
Total Inspections	9,461,257	8,527,137	934,120	8,089,192
Other Protection:				
Fire, Rescue and Emergency Management	5,738,313	5,201,916	536,397	4,839,774
Animal Control	3,200,788	2,922,674	278,114	2,881,312
General Services	671,514	658,240	13,274	149,811
Total Other Protection	9,610,615	8,782,830	827,785	7,870,897
Total Public Safety	188,074,409	175,863,532	12,210,877	169,153,608
<u>Public Works:</u>				
Maintenance of Highways, Bridges and Sidewalks:				
General Services	558,966	375,622	183,344	215,439
Total Maint. of Highways, Streets, Bridges & Sidewalks	558,966	375,622	183,344	215,439
Construction and Waste Removal:				
General Services	6,847,429	6,154,124	693,305	6,093,597
Total Construction and Waste Removal	6,847,429	6,154,124	693,305	6,093,597
Maintenance of General Buildings and Grounds:				
General Services	12,019,385	10,493,637	1,525,748	11,258,533
Total Maintenance of General Buildings and Grounds	12,019,385	10,493,637	1,525,748	11,258,533
Total Public Works	19,425,780	17,023,383	2,402,397	17,567,569
<u>Health and Welfare:</u>				
Health:				
Health Services	4,897,399	4,751,592	145,807	4,630,516
General Services	424,133	70,576	353,557	-
Regional Organizations & Contributions	413,065	413,065	-	405,832
Total Health	5,734,597	5,235,233	499,364	5,036,348
Mental Health, Substance Abuse and Development Svcs:				
Mental Health, Substance Abuse and Development Svcs	40,271,219	36,247,809	4,023,410	33,671,983
Regional Organizations & Contributions	26,604	26,604	-	21,662
General Services	1,034,957	1,739,714	(704,757)	1,620,327
Total Mental Health, Substance Abuse and Dev. Svcs	41,332,780	38,014,127	3,318,653	35,313,972
Welfare/Family Services:				
Family Services	26,359,135	19,977,517	6,381,618	19,264,146
Parks, Recreation and Community Services	7,055,466	6,504,127	551,339	6,570,381
Regional Organizations & Contributions	1,451,140	1,471,701	(20,561)	1,481,689
General Services	551,272	882,051	(330,779)	1,271,623
Total Welfare/Family Services	35,417,013	28,835,396	6,581,617	28,587,839
Total Health and Welfare	82,484,390	72,084,756	10,399,634	68,938,159
<u>Parks, Recreation and Culture:</u>				
Parks, Recreation and Community Services:				
Parks, Recreation and Community Services	36,078,353	32,539,339	3,539,014	31,689,752
Regional Organizations & Contributions	1,622,684	1,626,684	(4,000)	1,562,884
General Services	2,102,108	2,312,954	(210,846)	2,030,148
Total Parks, Recreation and Community Services	39,803,145	36,478,977	3,324,168	35,282,784
Cultural Enrichment:				
Regional Organizations & Contributions	162,818	165,501	(2,683)	246,851
Total Cultural Enrichment	162,818	165,501	(2,683)	246,851
Library:				
Library Services	16,303,367	14,991,303	1,312,064	14,597,781
General Services	1,305,535	983,673	321,862	679,157
Total Library	17,608,902	15,974,976	1,633,926	15,276,938
Total Parks, Recreation and Culture	57,574,865	52,619,454	4,955,411	50,806,573

COUNTY OF LOUDOUN, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Actual Amounts for 2016)

	2017			2016
	Final Budget	Actual	Variance Positive (Negative)	Actual
<u>Community Development:</u>				
Planning and Community Development:				
Building and Development	13,526,916	12,513,094	1,013,822	11,539,281
Planning	8,600,377	7,199,651	1,400,726	6,365,041
Economic Development	4,564,463	3,367,953	1,196,510	3,364,242
Office of Mapping and Geographic Information	2,503,817	2,450,471	53,346	2,327,375
Transportation & Capital Infrastructure	2,424,296	1,799,886	624,410	1,724,193
Regional Organizations & Contributions	865,952	757,445	108,507	828,487
General Services	415,314	128,910	286,404	1,084,143
County Administrator	1,006,114	879,552	126,562	1,009,805
Total Planning and Community Development	33,907,249	29,096,962	4,810,287	28,242,567
Environmental Management:				
Regional Organizations & Contributions	729,783	756,246	(26,463)	1,109,881
General Services	485,073	309,298	175,775	10,619
Total Environmental Management	1,214,856	1,065,544	149,312	1,120,500
Cooperative Extension Program:				
Extension Services	438,051	397,343	40,708	399,524
General Services	89,396	90,382	(986)	87,300
Total Cooperative Extension Program	527,447	487,725	39,722	486,824
Transit:				
Office of Transportation Services	19,858,474	19,596,103	262,371	19,338,777
General Services	67,515	88,671	(21,156)	87,146
Total Transit	19,925,989	19,684,774	241,215	19,425,923
Total Community Development	55,575,541	50,335,005	5,240,536	49,275,814
<u>Education:</u>				
Educational Institutions				
Loudoun County Public Schools	729,106,577	729,106,577	-	680,895,107
Regional Organizations & Contributions	813,843	842,111	(28,268)	810,477
Total Educational Institutions	729,920,420	729,948,688	(28,268)	681,705,584
Total Education	729,920,420	729,948,688	(28,268)	681,705,584
Total Expenditures	1,224,917,181	1,193,338,169	31,579,012	1,124,412,981
Excess of Revenues Over Expenditures	188,358,147	286,443,205	98,085,058	219,939,731
Other Financing Sources (Uses):				
Transfers-in	13,494,498	13,129,986	(364,512)	14,751,885
Transfers-out	(248,831,909)	(248,291,982)	539,927	(239,827,070)
Cash from Prior Year Sale of Land to Component Unit	-	-	-	(19,998,042)
Sale of capital assets	24,192	47,716	23,524	84,500
Total other financing sources (uses), net	(235,313,219)	(235,114,280)	198,939	(244,988,727)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under)				
Expenditures and Other Financing Uses	(46,955,072)	51,328,925	98,283,997	(25,048,996)
Fund Balances at Beginning of Year, as restated	286,330,668	286,330,668	-	311,379,664
Fund Balances at End of Year	<u>\$ 239,375,596</u>	<u>337,659,593</u>	<u>\$ 98,283,997</u>	<u>\$ 286,330,668</u>

Nonmajor Governmental Funds



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Non-Major Governmental Funds

Special Revenue Funds

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.

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. A budget is not legally adopted for this fund; therefore, no budgetary comparison schedule is presented.

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. A budget is not legally adopted for this fund; therefore, no budgetary comparison schedule is presented.

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 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.

Tall Oaks Water & Sewer (1214) - This fund is used to account for the proceeds from the Tall Oaks Water & Sewer taxing district that are legally restricted to expenditures for the extension of public water and sanitary sewer main lines to serve the properties of the district. The district consists of 10 commercial properties located along the west side of Cascades Parkway, the south side of Maries Road, and the north side of Woodland Road in the Sterling Election District. The special assessment was negotiated on a per property basis and is intended to generate \$1,211,435 in revenue over 20 years at .82% interest per year. A budget is not legally adopted for this fund; therefore, no budgetary comparison schedule is presented.

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. Effective Fiscal Year 2011, the Public Transportation Fund, 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. A budget is not legally adopted for this fund; therefore, no budgetary comparison schedule is presented.

Non-Major 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 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.

Major Funds with Budgetary Comparison Schedule

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.

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, 2017**

	Special Revenue Funds					
	Route 28 Special Improv.	Comprehensive Services Act	Legal Resource Center	Federally Forfeited Property	Hotel and Motel Room Tax	County-Wide Sewer Service District
ASSETS						
Cash and Cash Equivalents	\$ -	\$ -	\$ 75	\$ -	\$ -	\$ -
Restricted Cash and Investments	-	-	-	-	-	-
Receivables, Net:						
Taxes	726,055	-	-	-	1,083,419	-
Accounts	-	-	2,932	-	-	-
Due from Other Governments	-	647,621	-	-	-	-
Interfund Receivables	3,711,848	4,558,448	11,797	1,120,922	-	13,918
Prepaid Items	-	-	-	-	-	-
Notes and Loans Receivable, Net	-	-	-	-	-	-
Total Assets	<u>\$ 4,437,903</u>	<u>\$ 5,206,069</u>	<u>\$ 14,804</u>	<u>\$ 1,120,922</u>	<u>\$ 1,083,419</u>	<u>\$ 13,918</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ 3,548,032	\$ 614,379	\$ 2,019	\$ -	\$ 39,000	\$ -
Accrued Liabilities	-	-	3,415	-	-	-
Unearned Revenues	-	-	-	1,120,922	-	-
Interfund Payables	-	-	-	-	127,249	-
Due to Component Unit	-	-	-	-	-	-
Other Liabilities	-	-	-	-	-	-
Total Liabilities	<u>3,548,032</u>	<u>614,379</u>	<u>5,434</u>	<u>1,120,922</u>	<u>166,249</u>	<u>-</u>
Deferred Inflows of Resources						
Property Taxes	453,144	-	-	-	-	-
Prepaid Taxes	83,337	-	-	-	-	-
Total Deferred Inflows of Resources	<u>536,481</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:						
Non-spendable	-	-	-	-	-	-
Restricted	353,390	-	9,370	-	529,420	13,918
Committed	-	4,591,690	-	-	387,750	-
Assigned	-	-	-	-	-	-
Total Fund Balances	<u>353,390</u>	<u>4,591,690</u>	<u>9,370</u>	<u>-</u>	<u>917,170</u>	<u>13,918</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 4,437,903</u>	<u>\$ 5,206,069</u>	<u>\$ 14,804</u>	<u>\$ 1,120,922</u>	<u>\$ 1,083,419</u>	<u>\$ 13,918</u>

Schedule 2
Continued

Hamilton Sewer Service District	Community Devel. Authority	Rental Assistance Program	Dulles Industrial Park W&S	Greenlea Tax District	State Federal Grant	Tall Oaks Water & Sewer
\$ -	\$ -	\$ 2,089,044	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	3,450	18,405	-	13,452
-	-	29,187	-	-	-	-
-	-	-	-	-	320,449	-
185,286	1,524,225	-	951	9,524	2,163,921	16,834
-	-	-	-	-	-	-
-	-	-	-	-	156,302	-
<u>\$ 185,286</u>	<u>\$ 1,524,225</u>	<u>\$ 2,118,231</u>	<u>\$ 4,401</u>	<u>\$ 27,929</u>	<u>\$ 2,640,672</u>	<u>\$ 30,286</u>
\$ -	\$ 1,524,225	\$ 2,752	\$ 951	\$ 9,524	\$ 221,832	\$ 24,046
-	-	23,367	-	-	11,501	-
-	-	1,129,122	-	-	2,140,821	-
-	-	803,802	-	-	-	-
-	-	4,017	-	-	-	-
-	-	155,171	-	-	-	-
-	1,524,225	2,118,231	951	9,524	2,374,154	24,046
-	-	-	3,450	17,246	-	6,240
-	-	-	-	1,159	-	-
-	-	-	3,450	18,405	-	6,240
-	-	-	-	-	-	-
-	-	-	-	-	266,518	-
185,286	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>185,286</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>266,518</u>	<u>-</u>
<u>\$ 185,286</u>	<u>\$ 1,524,225</u>	<u>\$ 2,118,231</u>	<u>\$ 4,401</u>	<u>\$ 27,929</u>	<u>\$ 2,640,672</u>	<u>\$ 30,286</u>

COUNTY OF LOUDOUN, VIRGINIA

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
AS OF JUNE 30, 2017**

	Public Facilities Fund	Sheriff's Fund	Animal Shelter	Housing Fund	Transportation District	Uran Holocaust
ASSETS						
Cash and Cash Equivalents	\$ 1,128	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted Cash and Investments	-	-	-	-	11,256,039	-
Receivables, Net:						
Taxes	-	-	-	-	1,038,308	-
Accounts	-	150	110	-	8,828,102	-
Due from Other Governments	-	-	-	-	-	-
Due from Other Funds	124,038,401	40,206	436,128	30,951,356	8,523,303	174,727
Prepaid Items	-	-	-	-	-	-
Notes and Loans Receivable, Net	-	-	-	1,987,009	-	-
Total Assets	<u>\$ 124,039,529</u>	<u>\$ 40,356</u>	<u>\$ 436,238</u>	<u>\$ 32,938,365</u>	<u>\$ 29,645,752</u>	<u>\$ 174,727</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ 225,329	\$ 2,722	\$ -	\$ 18	\$ 18,350	\$ 168
Accrued Liabilities	-	-	-	-	-	-
Unearned Revenues	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-
Due to Component Unit	1,605,926	-	-	-	-	-
Other Liabilities	-	-	-	-	1,535,521	-
Total Liabilities	<u>1,831,255</u>	<u>2,722</u>	<u>-</u>	<u>18</u>	<u>1,553,871</u>	<u>168</u>
Deferred Inflows of Resources						
Property Taxes	-	-	-	-	778,812	-
Prepaid Taxes	-	-	-	-	43,592	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>822,404</u>	<u>-</u>
Fund Balances:						
Non-spendable	-	-	-	-	-	-
Restricted	122,208,274	37,634	436,238	28,838,347	27,269,477	144,559
Committed	-	-	-	1,100,000	-	-
Assigned	-	-	-	3,000,000	-	30,000
Total Fund Balances	<u>122,208,274</u>	<u>37,634</u>	<u>436,238</u>	<u>32,938,347</u>	<u>27,269,477</u>	<u>174,559</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u><u>\$ 124,039,529</u></u>	<u><u>\$ 40,356</u></u>	<u><u>\$ 436,238</u></u>	<u><u>\$ 32,938,365</u></u>	<u><u>\$ 29,645,752</u></u>	<u><u>\$ 174,727</u></u>

				Capital Funds			Total
Horton Program For the Arts	Symington Fund	EMS Transport	Stormwater Maintenance	Capital Asset Preservation	Major Equipment Replacement	Capital Project Financing	Non-Major Governmental Funds
\$ -	\$ -	\$ 29,116	\$ -	\$ -	\$ -	\$ -	\$ 2,119,363
-	-	-	-	52,434	-	-	11,308,473
-	-	-	-	-	-	-	2,883,089
-	146,214	-	-	6,404	-	-	9,013,099
-	-	-	-	-	-	-	968,070
22,584	4,111,813	4,400,294	28,453	5,414,560	5,174,530	-	196,634,029
-	-	-	-	180,365	-	-	180,365
-	-	-	-	-	-	-	2,143,311
<u>\$ 22,584</u>	<u>\$ 4,258,027</u>	<u>\$ 4,429,410</u>	<u>\$ 28,453</u>	<u>\$ 5,653,763</u>	<u>\$ 5,174,530</u>	<u>\$ -</u>	<u>\$ 225,249,799</u>
\$ -	\$ 150	\$ 793,716	\$ -	\$ 939,077	\$ 58,363	\$ -	\$ 8,024,653
-	-	10,930	-	-	-	-	49,213
-	-	-	-	-	-	-	4,390,865
-	-	-	-	-	-	-	931,051
-	-	-	-	-	-	-	1,609,943
-	-	-	-	-	-	-	1,690,692
<u>-</u>	<u>150</u>	<u>804,646</u>	<u>-</u>	<u>939,077</u>	<u>58,363</u>	<u>-</u>	<u>16,696,417</u>
-	-	-	-	-	-	-	1,258,892
-	-	-	-	-	-	-	128,088
-	-	-	-	-	-	-	1,386,980
-	-	-	-	180,365	-	-	180,365
21,584	4,197,877	3,624,764	28,453	527,713	-	-	188,507,536
-	-	-	-	3,809,567	5,116,167	-	15,190,460
1,000	60,000	-	-	197,041	-	-	3,288,041
<u>22,584</u>	<u>4,257,877</u>	<u>3,624,764</u>	<u>28,453</u>	<u>4,714,686</u>	<u>5,116,167</u>	<u>-</u>	<u>207,166,402</u>
<u>\$ 22,584</u>	<u>\$ 4,258,027</u>	<u>\$ 4,429,410</u>	<u>\$ 28,453</u>	<u>\$ 5,653,763</u>	<u>\$ 5,174,530</u>	<u>\$ -</u>	<u>\$ 225,249,799</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, 2017

	Special Revenue Funds					
	Route 28 Special Improvements	Comprehensive Services Act	Legal Resource Center	Federally Forfeited Property	Hotel and Motel Room Tax	County-Wide Sewer Service District
REVENUES						
General Property Taxes	\$ 10,331,454	\$ -	\$ -	\$ -	\$ -	\$ -
Other Local Taxes	-	-	-	-	3,604,078	-
Permits and Licenses	-	-	-	-	-	-
Use of Money and Property	-	-	-	-	-	-
Charges for Services	-	-	50,820	-	-	-
Gifts and Donations	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Recovered Costs	-	724,758	-	16,188	-	-
Intergovernmental - Commonwealth	-	3,684,394	-	-	-	-
Intergovernmental - Federal	-	-	-	-	-	-
Total Revenues	10,331,454	4,409,152	50,820	16,188	3,604,078	-
EXPENDITURES						
Current Operating:						
General Government Administration	-	-	-	-	-	-
Judicial Administration	-	-	107,003	16,188	-	-
Public Safety	-	-	-	-	-	-
Public Works	10,066,807	-	-	-	-	-
Health and Welfare	-	7,741,040	-	-	-	-
Parks, Recreation and Culture	-	-	-	-	-	-
Community Development	-	-	-	-	3,264,125	-
Education	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	10,066,807	7,741,040	107,003	16,188	3,264,125	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	264,647	(3,331,888)	(56,183)	-	339,953	-
OTHER FINANCING SOURCES (USES)						
Transfers In	-	4,181,116	58,065	-	-	-
Transfers Out	-	(183,000)	-	-	(673,223)	-
Bond Proceeds	-	-	-	-	-	-
Proceeds from Capital Leases	-	-	-	-	-	-
Federal Loan Proceeds	-	-	-	-	-	-
Total Other Financing Sources (Uses), Net	-	3,998,116	58,065	-	(673,223)	-
Net Change in Fund Balances	264,647	666,228	1,882	-	(333,270)	-
Fund Balances at Beginning of Year, as Restated (Note XXII)	88,743	3,925,462	7,488	-	1,250,440	13,918
Fund Balances at End of Year	\$ 353,390	\$ 4,591,690	\$ 9,370	\$ -	\$ 917,170	\$ 13,918

Schedule 3
Continued

Hamilton Sewer Service District	Community Development Authority	Rental Assistance Program	Dulles Industrial Park W&S	Greenlea Tax District	State Federal Grant	Tall Oaks Water & Sewer
\$ (1,745)	\$ 3,035,184	\$ -	\$ 73,307	\$ 37,507	\$ -	\$ 24,046
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	763	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	3,654	-	-	308	-
-	-	95,343	-	-	85	-
-	-	-	-	-	1,286,229	-
-	-	8,197,269	-	-	2,628,978	-
(1,745)	3,035,184	8,297,029	73,307	37,507	3,915,600	24,046
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	846,660	-
665	-	-	73,307	38,666	-	24,046
-	-	8,320,392	-	-	2,890,173	-
-	-	-	-	-	-	-
-	3,035,184	-	-	-	150,691	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
665	3,035,184	8,320,392	73,307	38,666	3,887,524	24,046
(2,410)	-	(23,363)	-	(1,159)	28,076	-
-	-	23,363	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	23,363	-	-	-	-
(2,410)	-	-	-	(1,159)	28,076	-
187,696	-	-	-	1,159	238,442	-
\$ 185,286	\$ -	\$ -	\$ -	\$ -	\$ 266,518	\$ -

COUNTY OF LOUDOUN, VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Public Facilities Fund	Sheriff's Fund	Animal Shelter	Housing Fund	Transportation District	Uran Holocaust
REVENUES						
General Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 7,099,427	\$ -
Other Local Taxes	-	-	-	-	46,523,607	-
Permits and Licenses	-	-	-	-	-	-
Use of Money and Property	816,293	-	-	341,769	33,733	1,331
Charges for Services	-	-	-	-	-	-
Gifts and Donations	34,821,353	21,888	80,577	1,435,847	-	-
Miscellaneous	-	-	-	4,808	-	-
Recovered Costs	-	-	1,676	161	-	-
Intergovernmental - Commonwealth	-	-	10,094	-	144,496	-
Intergovernmental - Federal	-	-	-	-	-	-
Total Revenues	35,637,646	21,888	92,347	1,782,585	53,801,263	1,331
EXPENDITURES						
Current Operating:						
General Government Administration	-	-	-	-	-	-
Judicial Administration	-	-	-	-	-	-
Public Safety	1,026,646	19,006	-	-	-	-
Public Works	1,525,206	-	-	-	-	-
Health and Welfare	-	-	-	116,514	-	-
Parks, Recreation and Culture	-	-	-	-	-	29,694
Community Development	(23,818)	-	-	-	(149,308)	-
Education	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	2,528,034	19,006	-	116,514	(149,308)	29,694
Excess (Deficiency) of Revenues Over (Under) Expenditures	33,109,612	2,882	92,347	1,666,071	53,950,571	(28,363)
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	73,649,962	-
Transfers Out	(37,286,236)	-	(39,119)	-	(113,546,133)	-
Bonds Issued	-	-	-	-	-	-
Capital Leases Issued	-	-	-	-	-	-
Federal Loan Proceeds	-	-	-	-	-	-
Total Other Financing Sources (uses), Net	(37,286,236)	-	(39,119)	-	(39,896,171)	-
Net Change in Fund Balances	(4,176,624)	2,882	53,228	1,666,071	14,054,400	(28,363)
Fund Balances at Beginning of Year, as Restated (Note XXII)	126,384,898	34,752	383,010	31,272,276	13,215,077	202,922
Fund Balances at End of Year	\$ 122,208,274	\$ 37,634	\$ 436,238	\$ 32,938,347	\$ 27,269,477	\$ 174,559

				Capital Funds			Total
Horton Program For the Arts	Symington Fund	EMS Transport	Stormwater Maintenance	Capital Asset Preservation	Major Equipment Replacement	Capital Projects Financing	Non-Major Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,599,180
-	-	-	-	65,320	-	-	50,193,005
-	-	-	-	1,420	-	-	1,420
160	82,762	-	-	-	-	-	1,276,811
-	-	5,050,531	19,548	-	-	-	5,120,899
2,751	-	-	-	-	-	-	36,362,416
-	-	-	-	-	-	-	8,770
-	-	-	-	-	-	-	838,211
-	-	-	-	-	-	-	5,125,213
-	-	-	-	-	-	-	10,826,247
2,911	82,762	5,050,531	19,548	66,740	-	-	130,352,172
-	-	-	-	302,598	15,950	-	318,548
-	-	-	-	-	-	-	123,191
-	-	3,132,737	-	-	-	-	5,025,049
-	-	-	-	4,755,436	-	-	16,484,133
-	-	-	-	-	-	-	19,068,119
700	191	-	-	951,272	-	-	981,857
-	-	-	-	2,110	-	-	6,278,984
-	-	-	-	-	-	87,580,000	87,580,000
-	-	-	-	2,896,062	784,450	-	3,680,512
700	191	3,132,737	-	8,907,478	800,400	87,580,000	139,540,393
2,211	82,571	1,917,794	19,548	(8,840,738)	(800,400)	(87,580,000)	(9,188,221)
-	-	-	-	8,563,000	4,000,000	-	90,475,506
-	-	(200,000)	-	-	(1,241,017)	(133,358,836)	(286,527,564)
-	-	-	-	-	-	108,730,000	108,730,000
-	-	-	-	-	-	60,900,000	60,900,000
-	-	-	-	-	-	51,308,836	51,308,836
-	-	(200,000)	-	8,563,000	2,758,983	87,580,000	24,886,778
2,211	82,571	1,717,794	19,548	(277,738)	1,958,583	-	15,698,557
20,373	4,175,306	1,906,970	8,905	4,992,424	3,157,584	-	191,467,845
\$ 22,584	\$ 4,257,877	\$ 3,624,764	\$ 28,453	\$ 4,714,686	\$ 5,116,167	\$ -	\$ 207,166,402

**COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
ROUTE 28 SPECIAL IMPROVEMENTS FUND
FOR THE YEAR ENDED JUNE 30, 2017**

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (Inflows)			
General Property Taxes	\$ 10,264,000	\$ 10,331,454	\$ 67,454
Amounts Available for Appropriation	10,264,000	10,331,454	67,454
Charges to Appropriations (Outflows)			
Public Works	10,264,000	10,066,807	197,193
Total Charges to Appropriations	10,264,000	10,066,807	197,193
Excess of Resources Over			
Charges to Appropriations	-	264,647	264,647
Fund Balance at Beginning of Year	88,743	88,743	-
Fund Balance at End of Year	<u>\$ 88,743</u>	<u>\$ 353,390</u>	<u>\$ 264,647</u>

**COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
COMPREHENSIVE SERVICES ACT FUND
FOR THE YEAR ENDED JUNE 30, 2017**

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (Inflows)			
Recovered Costs	\$ 1,140,000	\$ 724,758	\$ (415,242)
Intergovernmental - Commonwealth	3,692,930	3,684,394	(8,536)
Transfers from Other Funds	4,181,116	4,181,116	-
Amounts Available for Appropriation	<u>9,014,046</u>	<u>8,590,268</u>	<u>(423,778)</u>
Charges to Appropriations (Outflows)			
Health and Welfare	8,831,046	7,741,040	1,090,006
Transfers to Other Funds	183,000	183,000	-
Total Charges to Appropriations	<u>9,014,046</u>	<u>7,924,040</u>	<u>1,090,006</u>
Excess of Resources Over			
Charges to Appropriations	-	666,228	666,228
Fund Balance at Beginning of Year	<u>3,925,462</u>	<u>3,925,462</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 3,925,462</u></u>	<u><u>\$ 4,591,690</u></u>	<u><u>\$ 666,228</u></u>

COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
LEGAL RESOURCES CENTER FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (Inflows)			
Charges for Services	\$ 49,000	\$ 50,820	\$ 1,820
Transfers from Other Funds	58,065	58,065	-
Amounts Available for Appropriation	<u>107,065</u>	<u>108,885</u>	<u>1,820</u>
Charges to Appropriations (Outflows)			
Judicial Administration	107,065	107,003	62
Total Charges to Appropriations	<u>107,065</u>	<u>107,003</u>	<u>62</u>
Excess of Resources Over			
Charges to Appropriations	-	1,882	1,882
Fund Balance at Beginning of Year	<u>7,488</u>	<u>7,488</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 7,488</u></u>	<u><u>\$ 9,370</u></u>	<u><u>\$ 1,882</u></u>

**COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
FEDERALLY FORFEITED PROPERTY FUND
FOR THE YEAR ENDED JUNE 30, 2017**

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (Inflows)			
Recovered Costs	\$ 84,844	\$ 16,188	\$ (68,656)
Intergovernmental - Federal	6,953	-	(6,953)
Amounts Available for Appropriation	<u>91,797</u>	<u>16,188</u>	<u>(75,609)</u>
Charges to Appropriations (Outflows)			
Judicial Administration	60,066	16,188	43,878
Public Safety	31,731	-	31,731
Total Charges to Appropriations	<u>91,797</u>	<u>16,188</u>	<u>75,609</u>
Excess of Resources Over			
Charges to Appropriations	-	-	-
Fund Balance at Beginning of Year	-	-	-
Fund Balance at End of Year	<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, 2017**

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (Inflows)			
Other Local Taxes	\$ 3,877,500	\$ 3,604,078	\$ (273,422)
Amounts Available for Appropriation	<u>3,877,500</u>	<u>3,604,078</u>	<u>(273,422)</u>
 Charges to Appropriations (Outflows)			
Community Development	3,364,125	3,264,125	100,000
Transfers to Other Funds	<u>673,223</u>	<u>673,223</u>	<u>-</u>
Total Charges to Appropriations	<u>4,037,348</u>	<u>3,937,348</u>	<u>100,000</u>
 Deficiency of Resources Under			
Charges to Appropriations	(159,848)	(333,270)	(173,422)
Fund Balance at Beginning of Year	<u>1,250,440</u>	<u>1,250,440</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 1,090,592</u>	<u>\$ 917,170</u>	<u>\$ (173,422)</u>

**COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
COMMUNITY DEVELOPMENT AUTHORITY FUND
FOR THE YEAR ENDED JUNE 30, 2017**

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive Positive (Negative)
Resources (Inflows)			
General Property Taxes	\$ 3,500,000	\$ 3,035,184	\$ (464,816)
Amounts Available for Appropriation	3,500,000	3,035,184	(464,816)
Charges to Appropriations (Outflows)			
Community Development	3,500,000	3,035,184	464,816
Total Charges to Appropriations	3,500,000	3,035,184	464,816
Excess of Resources Over			
Charges to Appropriations	-	-	-
Fund Balance at Beginning of Year	-	-	-
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
RENTAL ASSISTANCE PROGRAM FUND
FOR THE YEAR ENDED JUNE 30, 2017**

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (Inflows)			
Use of Money and Property	\$ 763	\$ 763	\$ -
Miscellaneous	3,654	3,654	-
Recovered Costs	95,343	95,343	-
Intergovernmental - Federal	8,271,321	8,197,269	(74,052)
Transfers from Other Funds	23,363	23,363	-
Amounts Available for Appropriation	<u>8,394,444</u>	<u>8,320,392</u>	<u>(74,052)</u>
Charges to Appropriations (Outflows)			
Health and Welfare	<u>8,394,444</u>	<u>8,320,392</u>	<u>74,052</u>
Total Charges to Appropriations	<u>8,394,444</u>	<u>8,320,392</u>	<u>74,052</u>
Excess of Resources Over			
Charges to Appropriations	-	-	-
Fund Balance at Beginning of Year	-	-	-
Fund Balance at End of Year	<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, 2017

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (Inflows)			
General Property Taxes	\$ 75,528	\$ 73,307	\$ (2,221)
Amounts Available for Appropriation	75,528	73,307	(2,221)
Charges to Appropriations (Outflows)			
Public Works	75,528	73,307	2,221
Total Charges to Appropriations	75,528	73,307	2,221
Excess of Resources Over			
Charges to Appropriations	-	-	-
Fund Balance at Beginning of Year	-	-	-
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
GREENLEA TAX DISTRICT FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (Inflows)			
General Property Taxes	\$ 44,038	\$ 37,507	\$ (6,531)
Amounts Available for Appropriation	44,038	37,507	(6,531)
Charges to Appropriations (Outflows)			
Public Works	44,038	38,666	5,372
Total Charges to Appropriations	44,038	38,666	5,372
Deficiency of Resources Under			
Charges to Appropriations	-	(1,159)	(1,159)
Fund Balance at Beginning of Year	1,159	1,159	-
Fund Balance at End of Year	<u>\$ 1,159</u>	<u>\$ -</u>	<u>\$ (1,159)</u>

**COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
STATE AND FEDERAL GRANT FUND
FOR THE YEAR ENDED JUNE 30, 2017**

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (Inflows)			
Miscellaneous	\$ -	\$ 308	\$ 308
Recovered Costs	139,619	85	(139,534)
Intergovernmental - Commonwealth	3,069,929	1,286,229	(1,783,700)
Intergovernmental - Federal	5,223,686	2,628,978	(2,594,708)
Amounts Available for Appropriation	<u>8,433,234</u>	<u>3,915,600</u>	<u>(4,517,634)</u>
Charges to Appropriations (Outflows)			
Public Safety	2,904,461	846,660	2,057,801
Health and Welfare	5,317,254	2,890,173	2,427,081
Community Development	211,519	150,691	60,828
Total Charges to Appropriations	<u>8,433,234</u>	<u>3,887,524</u>	<u>4,545,710</u>
Excess of Resources Over			
Charges to Appropriations	-	28,076	28,076
Fund Balance at Beginning of Year	<u>238,442</u>	<u>238,442</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 238,442</u>	<u>\$ 266,518</u>	<u>\$ 28,076</u>

**COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
PUBLIC FACILITIES FUND
FOR THE YEAR ENDED JUNE 30, 2017**

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (Inflows)			
Use of Money and Property	\$ 800,322	\$ 816,293	\$ 15,971
Gifts and Donations	43,881,765	34,821,353	(9,060,412)
Amounts Available for Appropriation	<u>44,682,087</u>	<u>35,637,646</u>	<u>(9,044,441)</u>
Charges to Appropriations (Outflows)			
Public Safety	811,945	1,026,646	(214,701)
Public Works	1,483,833	1,525,206	(41,373)
Parks, Recreation and Culture	1,327,220	-	1,327,220
Community Development	(1,107,147)	(23,818)	(1,083,329)
Education and Transfers to School Board	4,880,000	-	4,880,000
Transfers to Other Funds	37,286,236	37,286,236	-
Total Charges to Appropriations	<u>44,682,087</u>	<u>39,814,270</u>	<u>4,867,817</u>
Deficiency of Resources Under			
Charges to Appropriations	-	(4,176,624)	(4,176,624)
Fund Balance at Beginning of Year	<u>126,384,898</u>	<u>126,384,898</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 126,384,898</u>	<u>\$ 122,208,274</u>	<u>\$ (4,176,624)</u>

**COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
SHERIFF'S FUND
FOR THE YEAR ENDED JUNE 30, 2017**

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (Inflows)			
Gifts and Donations	\$ 33,360	\$ 21,888	\$ (11,472)
Amounts Available for Appropriation	33,360	21,888	(11,472)
Charges to Appropriations (Outflows)			
Public Safety	33,360	19,006	14,354
Total Charges to Appropriations	33,360	19,006	14,354
Excess of Resources Over			
Charges to Appropriations	-	2,882	2,882
Fund Balance at Beginning of Year	34,752	34,752	-
Fund Balance at End of Year	<u>\$ 34,752</u>	<u>\$ 37,634</u>	<u>\$ 2,882</u>

**COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
ANIMAL SHELTER FUND
FOR THE YEAR ENDED JUNE 30, 2017**

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (Inflows)			
Gifts and Donations	\$ 15,119	\$ 80,577	\$ 65,458
Recovered Costs	-	1,676	1,676
Intergovernmental - Commonwealth	14,000	10,094	(3,906)
Amounts Available for Appropriation	<u>29,119</u>	<u>92,347</u>	<u>63,228</u>
Charges to Appropriations (Outflows)			
Transfers to Other Funds	<u>39,119</u>	<u>39,119</u>	<u>-</u>
Total Charges to Appropriations	<u>39,119</u>	<u>39,119</u>	<u>-</u>
Excess (Deficiency) of Resources Over (Under)			
Charges to Appropriations	(10,000)	53,228	63,228
Fund Balance at Beginning of Year	<u>383,010</u>	<u>383,010</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 373,010</u></u>	<u><u>\$ 436,238</u></u>	<u><u>\$ 63,228</u></u>

**COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
HOUSING FUND
FOR THE YEAR ENDED JUNE 30, 2017**

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (Inflows)			
Use of Money and Property	\$ -	\$ 341,769	\$ 341,769
Gifts and Donations	5,000,000	1,435,847	(3,564,153)
Miscellaneous Revenue	-	4,808	4,808
Recovered Costs	-	161	161
Amounts Available for Appropriation	<u>5,000,000</u>	<u>1,782,585</u>	<u>(3,217,415)</u>
Charges to Appropriations (Outflows)			
Health and Welfare	<u>5,000,000</u>	<u>116,514</u>	<u>4,883,486</u>
Total Charges to Appropriations	<u>5,000,000</u>	<u>116,514</u>	<u>4,883,486</u>
Excess of Resources Over			
Charges to Appropriations	-	1,666,071	1,666,071
Fund Balance at Beginning of Year	<u>31,272,276</u>	<u>31,272,276</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 31,272,276</u></u>	<u><u>\$ 32,938,347</u></u>	<u><u>\$ 1,666,071</u></u>

**COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
TRANSPORTATION DISTRICT FUND
FOR THE YEAR ENDED JUNE 30, 2017**

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (Inflows)			
General Property Taxes	\$ 7,569,000	\$ 7,099,427	\$ (469,573)
Other Local Taxes	64,270,457	46,523,607	(17,746,850)
Use of Money and Property	23,000	33,733	10,733
Intergovernmental - Commonwealth	-	144,496	144,496
Transfers from Other Funds	73,649,962	73,649,962	-
Amounts Available for Appropriation	<u>145,512,419</u>	<u>127,451,225</u>	<u>(18,061,194)</u>
Charges to Appropriations (Outflows)			
Community Development	13,562,076	(149,308)	13,711,384
Capital Outlay	25,460	-	25,460
Transfers to Other Funds	230,622,796	113,546,133	117,076,663
Total Charges to Appropriations	<u>244,210,332</u>	<u>113,396,825</u>	<u>130,813,507</u>
Excess (Deficiency) of Resources Over (Under)			
Charges to Appropriations	(98,697,913)	14,054,400	112,752,313
Fund Balance at Beginning of Year, as restated (Note XXII)	<u>14,514,881</u>	<u>13,215,077</u>	<u>1,299,804</u>
Fund Balance at End of Year	<u>\$ (84,183,032)</u>	<u>\$ 27,269,477</u>	<u>\$ 114,052,117</u>

**COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
URAN HOLOCAUST FUND
FOR THE YEAR ENDED JUNE 30, 2017**

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (Inflows)			
Use of Money and Property	\$ -	\$ 1,331	\$ 1,331
Amounts Available for Appropriation	-	1,331	1,331
Charges to Appropriations (Outflows)			
Parks, Recreation and Culture	54,600	29,694	24,906
Total Charges to Appropriations	54,600	29,694	24,906
Deficiency of Resources Under			
Charges to Appropriations	(54,600)	(28,363)	26,237
Fund Balance at Beginning of Year	202,922	202,922	-
Fund Balance at End of Year	<u>\$ 148,322</u>	<u>\$ 174,559</u>	<u>\$ 26,237</u>

**COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
HORTON PROGRAM FOR THE ARTS FUND
FOR THE YEAR ENDED JUNE 30, 2017**

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (Inflows)			
Use of Money and Property	\$ -	\$ 160	\$ 160
Gifts and Donations	-	2,751	2,751
Amounts Available for Appropriation	-	2,911	2,911
Charges to Appropriations (Outflows)			
Parks, Recreation and Culture	1,000	700	300
Total Charges to Appropriations	1,000	700	300
Excess (Deficiency) of Resources Over (Under)			
Charges to Appropriations	(1,000)	2,211	3,211
Fund Balance at Beginning of Year	20,373	20,373	-
Fund Balance at End of Year	<u>\$ 19,373</u>	<u>\$ 22,584</u>	<u>\$ 3,211</u>

**COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
SYMINGTON FUND
FOR THE YEAR ENDED JUNE 30, 2017**

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (Inflows)			
Use of Money and Property	\$ -	\$ 82,762	\$ 82,762
Amounts Available for Appropriation	-	82,762	82,762
Charges to Appropriations (Outflows)			
Parks, Recreation and Culture	60,000	191	59,809
Total Charges to Appropriations	60,000	191	59,809
Excess (Deficiency) of Resources Over (Under)			
Charges to Appropriations	(60,000)	82,571	142,571
Fund Balance at Beginning of Year	4,175,306	4,175,306	-
Fund Balance at End of Year	<u>\$ 4,115,306</u>	<u>\$ 4,257,877</u>	<u>\$ 142,571</u>

**COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
EMS TRANSPORT FUND
FOR THE YEAR ENDED JUNE 30, 2017**

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (Inflows)			
Charges for Services	\$ 3,500,000	\$ 5,050,531	\$ 1,550,531
Amounts Available for Appropriation	3,500,000	5,050,531	1,550,531
Charges to Appropriations (Outflows)			
Public Safety	2,776,446	3,132,737	(356,291)
Transfers to Other Funds	737,054	200,000	537,054
Total Charges to Appropriations	3,513,500	3,332,737	180,763
Excess (Deficiency) of Resources Over (Under)			
Charges to Appropriations	(13,500)	1,717,794	1,731,294
Fund Balance at Beginning of Year	1,906,970	1,906,970	-
Fund Balance at End of Year	<u>\$ 1,893,470</u>	<u>\$ 3,624,764</u>	<u>\$ 1,731,294</u>

**COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
CAPITAL ASSET PRESERVATION PROGRAM FUND
FOR THE YEAR ENDED JUNE 30, 2017**

	Prior Years	Current Year	Total to Date	Budget Authorization
REVENUES				
Other Local Taxes	\$ 1,695,864	\$ 65,320	\$ 1,761,184	\$ 1,873,243
Permits and Licenses	5,534	1,420	6,954	974
Use of Money and Property	-	-	-	29,833
Charges for Services	98	-	98	-
Recovered Costs	3,182,011	-	3,182,011	3,028,630
Total Revenues	4,883,507	66,740	4,950,247	4,932,680
EXPENDITURES				
General Government Administration	8,084,217	302,598	8,386,815	8,259,251
Judicial Administration	1,399,151	-	1,399,151	1,399,151
Public Safety	567,958	-	567,958	572,024
Public Works	14,500,225	4,755,436	19,255,661	24,249,145
Health & Welfare	426,545	-	426,545	426,545
Parks, Recreation, & Cultural Development	4,153,108	951,272	5,104,380	5,642,478
Community Development	525,094	2,110	527,204	525,094
Capital Outlay	43,927,512	2,896,062	46,823,574	50,819,177
Total Expenditures	73,583,810	8,907,478	82,491,288	91,892,865
Deficiency of Revenues Under Expenditures	(68,700,303)	(8,840,738)	(77,541,041)	(86,960,185)
OTHER FINANCING SOURCES (USES)				
Transfers In	73,901,100	8,563,000	82,464,100	82,464,100
Transfers Out	(208,373)	-	(208,373)	(208,373)
Total Other Financing Sources, Net	73,692,727	8,563,000	82,255,727	82,255,727
Net Change in Fund Balances	\$ 4,992,424	(277,738)	\$ 4,714,686	\$ (4,704,458)
Fund Balance at Beginning of Year		4,992,424		
Fund Balance at End of Year		\$ 4,714,686		

**COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
MAJOR EQUIPMENT REPLACEMENT FUND
FOR THE YEAR ENDED JUNE 30, 2017**

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (Inflows)			
Transfers from Other Funds	\$ 4,000,000	\$ 4,000,000	\$ -
Amounts Available for Appropriation	4,000,000	4,000,000	-
Charges to Appropriations (Outflows)			
General Government Administration	200,000	15,950	184,050
Capital Outlay	3,570,647	784,450	2,786,197
Transfers to Other Funds	1,241,017	1,241,017	-
Total Charges to Appropriations	5,011,664	2,041,417	2,970,247
Excess (Deficiency) of Resources Over (Under)			
Charges to Appropriations	(1,011,664)	1,958,583	2,970,247
Fund Balance at Beginning of Year	3,157,584	3,157,584	-
Fund Balance at End of Year	<u>\$ 2,145,920</u>	<u>\$ 5,116,167</u>	<u>\$ 2,970,247</u>

**COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FINANCING FUND
FOR THE YEAR ENDED JUNE 30, 2017**

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (Inflows)			
Issuance of Bonds	\$ 258,770,000	\$ 108,730,000	\$ (150,040,000)
Issuance of Federal Loans	-	51,308,836	51,308,836
Lease Purchase Financing	71,731,983	60,900,000	(10,831,983)
Amounts Available for Appropriation	<u>330,501,983</u>	<u>220,938,836</u>	<u>(109,563,147)</u>
Charges to Appropriations (Outflows)			
Payment to Component Unit	217,590,000	87,580,000	130,010,000
Transfers to Other Funds	112,911,983	133,358,836	(20,446,853)
Total Charges to Appropriations	<u>330,501,983</u>	<u>220,938,836</u>	<u>109,563,147</u>
Excess of Resources Over			
Charges to Appropriations	-	-	-
Fund Balance at Beginning of Year	-	-	-
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2017**

	Prior Years	Current Year	Total to Date	Budget Authorization
REVENUES				
Other Local Taxes	\$ 4,750,972	\$ 885,931	\$ 5,636,903	\$ 4,077,479
Use of Money and Property	134,431	12,337	146,768	126,509
Charges for Services	23,765,658	-	23,765,658	19,504,089
Gifts and Donations	1,450,889	-	1,450,889	1,629,716
Miscellaneous	1,742,951	-	1,742,951	42,821,855
Recovered Costs	2,065,804	(10,972)	2,054,832	3,344,566
Intergovernmental - Commonwealth	35,461,353	13,166,947	48,628,300	134,233,084
Intergovernmental - Federal	10,812,336	11,652,584	22,464,920	42,022,857
Total Revenues	80,184,394	25,706,827	105,891,221	247,760,155
EXPENDITURES				
General Government Administration	26,482,031	10,684,971	37,167,002	103,540,615
Judicial Administration	77,024	-	77,024	77,024
Public Safety	47,261,339	2,270,141	49,531,480	65,882,852
Public Works	47,878,094	5,381,293	53,259,387	81,752,134
Health & Welfare	3,428,216	704,105	4,132,321	8,413,991
Parks, Recreation, & Cultural Development	4,720,062	4,936,215	9,656,277	39,533,023
Community Development	277,894,050	137,105,098	414,999,148	1,608,481,921
Education	8,319,204	938,000	9,257,204	9,257,204
Capital Outlay	388,471,733	65,858,204	454,329,937	1,218,607,648
Total Expenditures	804,531,753	227,878,027	1,032,409,780	3,135,546,412
Deficiency of Revenues Under Expenditures	(724,347,359)	(202,171,200)	(926,518,559)	(2,887,786,257)
OTHER FINANCING SOURCES (USES)				
Transfers In	1,136,993,345	279,141,076	1,416,134,421	1,938,560,426
Transfers Out	(74,687,795)	(20,066,690)	(94,754,485)	(104,550,737)
Bond and Lease Proceeds	11,657,596	-	11,657,596	9,157,596
Sales of Capital Assets	349,175	-	349,175	349,175
Total Other Financing Sources, Net	1,074,312,321	259,074,386	1,333,386,707	1,843,516,460
Net Change in Fund Balances	\$ 349,964,962	56,903,186	\$ 406,868,148	\$ (1,044,269,797)
Fund Balance at Beginning of Year		349,964,962		
Fund Balance at End of Year		\$ 406,868,148		

**COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2017**

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (Inflows)			
Use of Money and Property	\$ 253,000	\$ 1,517,657	\$ 1,264,657
Miscellaneous revenue	630,000	1,087,791	457,791
Transfers from Other Funds	177,102,114	176,802,347	(299,767)
Issuance Premium	19,490,017	20,559,059	1,069,042
Amounts Available for Appropriation	197,475,131	199,966,854	2,491,723
Charges to Appropriations (Outflows)			
Debt Service	183,128,653	165,787,720	17,340,933
Transfers to Other Funds	16,788,356	16,788,356	-
Payment to Component Unit	15,047,228	15,047,228	-
Total Charges to Appropriations	214,964,237	197,623,304	17,340,933
Excess (Deficiency) of Resources Over (Under)			
Charges to Appropriations	(17,489,106)	2,343,550	19,832,656
Fund Balance at Beginning of Year	40,529,852	40,529,852	-
Fund Balance at End of Year	\$ 23,040,746	\$ 42,873,402	\$ 19,832,656



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Proprietary Funds



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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, 2017

	Central Service Funds						
	<u>Duplicating</u>	<u>Telephone</u>	<u>Mail</u>	<u>Support</u>	<u>Vehicle Replacement</u>	<u>Self-Insurance</u>	<u>Total</u>
ASSETS							
Current Assets:							
Restricted Cash and Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,734,000	\$ 1,734,000
Receivables, Net	520	8,496	1,100	-	209,004	217,238	436,358
Interfund Receivables	351,314	2,373,591	175,889	240,190	30,649,017	18,174,226	51,964,227
Inventory	-	-	52,165	10,243	-	-	62,408
Prepaid Items	-	13,858	-	-	842,070	26,126	882,054
Total Current Assets	351,834	2,395,945	229,154	250,433	31,700,091	20,151,590	55,079,047
Noncurrent Assets:							
Capital Assets:							
Depreciable, Net	-	1,063,544	9,697	-	46,369,352	-	47,442,593
Total Noncurrent Assets	-	1,063,544	9,697	-	46,369,352	-	47,442,593
Total Assets	\$ 351,834	\$ 3,459,489	\$ 238,851	\$ 250,433	\$ 78,069,443	\$ 20,151,590	\$ 102,521,640
DEFERRED OUTFLOWS OF RESOURCES							
Pension Contributions After the Measurement Date	-	-	26,655	142,030	-	-	168,685
Total Deferred Outflows of Resources	\$ -	\$ -	\$ 26,655	\$ 142,030	\$ -	\$ -	\$ 168,685
LIABILITIES							
Current Liabilities:							
Accounts Payable	85,215	7,216	78,866	275	393,100	884,348	\$ 1,449,020
Due to Component Unit	-	-	49,195	5,875	120,761	-	175,831
Claims Liabilities	-	-	-	-	-	8,625,534	8,625,534
Accrued Liabilities	-	-	11,848	39,679	-	888,539	940,066
Total Current Liabilities	85,215	7,216	139,909	45,829	513,861	10,398,421	11,190,451
Noncurrent Liabilities:							
Claims Liabilities	-	-	-	-	-	3,414,217	3,414,217
Net Pension Liability	-	-	63,913	340,564	-	-	404,477
Total Noncurrent Liabilities	-	-	63,913	340,564	-	3,414,217	3,818,694
Total Liabilities	\$ 85,215	\$ 7,216	\$ 203,822	\$ 386,393	\$ 513,861	\$ 13,812,638	\$ 15,009,145
DEFERRED INFLOWS OF RESOURCES							
Deferred Gain on Pension Investment Earnings	-	-	1,102	5,875	-	-	6,977
Total Deferred Inflows of Resources	\$ -	\$ -	\$ 1,102	\$ 5,875	\$ -	\$ -	\$ 6,977
NET POSITION							
Net Investment in Capital Assets	-	1,063,544	9,697	-	46,369,352	-	47,442,593
Unrestricted	266,619	2,388,729	50,885	195	31,186,230	6,338,952	40,231,610
Total Net Position	\$ 266,619	\$ 3,452,273	\$ 60,582	\$ 195	\$ 77,555,582	\$ 6,338,952	\$ 87,674,203

COUNTY OF LOUDOUN, VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN PROPRIETARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2017

	Central Service Funds						Total
	<u>Duplicating</u>	<u>Telephone</u>	<u>Mail</u>	<u>Support</u>	<u>Vehicle Replacement</u>	<u>Self-Insurance</u>	
Operating Revenues:							
Charges for Services	\$ 1,108,798	\$ 2,336,930	\$ 603,972	\$ 1,579,000	\$ 10,365,227	\$ 54,419,290	\$ 70,413,217
Use of Property	15,355	64,864	2,200	-	-	-	82,419
Miscellaneous	-	-	-	-	2,460	32,451	34,911
Total Operating Revenues	<u>1,124,153</u>	<u>2,401,794</u>	<u>606,172</u>	<u>1,579,000</u>	<u>10,367,687</u>	<u>54,451,741</u>	<u>70,530,547</u>
Operating Expenses:							
Personnel Services	-	-	289,467	1,093,851	-	-	1,383,318
Other Services and Charges	1,028,321	1,634,630	48,481	313,033	71,033	4,030,397	7,125,895
Materials and Supplies	89,609	211,237	295,492	4,778	474,223	-	1,075,339
Depreciation	-	315,396	1,686	-	7,367,603	-	7,684,685
Claims	-	-	-	-	-	52,134,478	52,134,478
Total Operating Expenses	<u>1,117,930</u>	<u>2,161,263</u>	<u>635,126</u>	<u>1,411,662</u>	<u>7,912,859</u>	<u>56,164,875</u>	<u>69,403,715</u>
Operating Income (Loss)	<u>6,223</u>	<u>240,531</u>	<u>(28,954)</u>	<u>167,338</u>	<u>2,454,828</u>	<u>(1,713,134)</u>	<u>1,126,832</u>
Non-Operating Revenues:							
Gain on Sale of Capital Assets	-	-	-	-	660,678	-	660,678
Total Non-Operating Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>660,678</u>	<u>-</u>	<u>660,678</u>
Net Income (Loss) Before Transfers	<u>6,223</u>	<u>240,531</u>	<u>(28,954)</u>	<u>167,338</u>	<u>3,115,506</u>	<u>(1,713,134)</u>	<u>1,787,510</u>
Transfers In	-	-	-	-	9,895,997	3,829,680	13,725,677
Transfers Out	-	-	-	-	(1,600,000)	-	(1,600,000)
Total Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,295,997</u>	<u>3,829,680</u>	<u>12,125,677</u>
Change in Net Position (Deficit)	<u>6,223</u>	<u>240,531</u>	<u>(28,954)</u>	<u>167,338</u>	<u>11,411,503</u>	<u>2,116,546</u>	<u>13,913,187</u>
Net Position (Deficit) at Beginning of Year	<u>260,396</u>	<u>3,211,742</u>	<u>89,536</u>	<u>(167,143)</u>	<u>66,144,079</u>	<u>4,222,406</u>	<u>73,761,016</u>
Net Position (Deficit) at End of Year	<u>\$ 266,619</u>	<u>\$ 3,452,273</u>	<u>\$ 60,582</u>	<u>\$ 195</u>	<u>\$ 77,555,582</u>	<u>\$ 6,338,952</u>	<u>\$ 87,674,203</u>

**COUNTY OF LOUDOUN, VIRGINIA
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY - INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

	Central Service Funds						
	<u>Duplicating</u>	<u>Telephone</u>	<u>Mail</u>	<u>Support</u>	<u>Vehicle Replacement</u>	<u>Self-Insurance</u>	<u>Total</u>
Cash Flows from Operating Activities:							
Receipts from Customers	\$ 1,124,262	\$ 2,406,760	\$ 605,072	\$ 1,579,000	\$ 10,447,408	\$ 54,367,620	\$ 70,530,122
Payments to Suppliers for Goods and Services	(1,038,613)	(1,978,888)	(285,941)	(324,842)	(1,027,040)	(4,318,844)	(8,974,168)
Payments for Interfund Services	(85,649)	(116,615)	(43,821)	(168,148)	1,043,035	(3,304,205)	(2,675,403)
Claims Paid	-	-	-	-	-	(50,634,939)	(50,634,939)
Payments to Component Unit	-	-	11,978	2,783	17,554	-	32,315
Payments to Employees	-	-	(287,288)	(1,088,793)	-	589,688	(786,393)
Net Cash Provided By (Used in) Operating Activities	-	311,257	-	-	10,480,957	(3,300,680)	7,491,534
Cash Flows from Non-capital Financing Activities:							
Transfers In	-	-	-	-	9,895,997	3,829,680	13,725,677
Transfers Out	-	-	-	-	(1,600,000)	-	(1,600,000)
Net Cash Provided by Non-capital Financing Activities	-	-	-	-	8,295,997	3,829,680	12,125,677
Cash Flows from Capital and Related Financing Activities:							
Additions to Capital Assets	-	(311,257)	-	-	(19,485,776)	-	(19,797,033)
Proceeds from Sale of Capital Assets	-	-	-	-	708,822	-	708,822
Net Cash Used in Capital and Related Financing Activities	-	(311,257)	-	-	(18,776,954)	-	(19,088,211)
Net Increase in Cash and Cash Equivalents	-	-	-	-	-	529,000	529,000
Cash and Cash Equivalents at Beginning of Year	-	-	-	-	-	1,205,000	1,205,000
Cash and Cash Equivalents at End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,734,000	\$ 1,734,000
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities:							
Operating Income (Loss)	\$ 6,223	\$ 240,531	\$ (28,954)	\$ 167,338	\$ 2,454,828	\$ (1,713,134)	\$ 1,126,832
Adjustment Not Affecting Cash:							
Depreciation	-	315,396	1,686	-	7,367,603	-	7,684,685
(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:							
Receivables, Net	109	4,966	(1,100)	-	79,721	(84,121)	(425)
Interfund Services	(85,649)	(116,615)	(43,821)	(168,148)	1,043,035	(3,304,205)	(2,675,403)
Inventory	-	-	(13,135)	-	-	-	(13,135)
Prepaid Items	-	(13,858)	-	-	(842,070)	(26,126)	(882,054)
Deferred Pension Expense	-	-	(13,058)	(65,054)	-	-	(78,112)
Accounts Payable	79,317	(119,163)	70,125	(162)	360,286	(262,321)	128,082
Due to Component Unit	-	-	11,978	2,783	17,554	-	32,315
Claims Liabilities	-	-	-	-	-	1,499,539	1,499,539
Accrued Liabilities	-	-	2,179	5,058	-	589,688	596,925
Net Pension Liability	-	-	23,608	112,380	-	-	135,988
Deferred Gain on Pension Investments	-	-	(9,508)	(54,195)	-	-	(63,703)
Total Adjustments	(6,223)	70,726	28,954	(167,338)	8,026,129	(1,587,546)	6,364,702
Net Cash Provided By (Used in) Operating Activities	\$ -	\$ 311,257	\$ -	\$ -	\$ 10,480,957	\$ (3,300,680)	\$ 7,491,534
Non-Cash Capital Related Financing Activities:							
Gain on Sale of Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ 660,678	\$ -	\$ 660,678

Fiduciary Funds



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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, 2017

	Special Welfare	Performance Bonds	Employee Benefits Distribution	ADC Inmate	Total
ASSETS					
Cash and Cash Equivalents	\$ 216,489	\$ 19,383,388	\$ 3,047,991	\$ 499,488	\$ 23,147,356
Cash with Fiscal Agents	-	-	60,000	-	60,000
Total Assets	\$ 216,489	\$ 19,383,388	\$ 3,107,991	\$ 499,488	\$ 23,207,356
LIABILITIES					
Accounts Payable	\$ 1,326	\$ 88,029	\$ 2,795,576	\$ -	\$ 2,884,931
Other Liabilities	-	-	312,415	-	312,415
Funds Held in Trust for Others	215,163	19,295,359	-	499,488	20,010,010
Total Liabilities	\$ 216,489	\$ 19,383,388	\$ 3,107,991	\$ 499,488	\$ 23,207,356

COUNTY OF LOUDOUN, VIRGINIA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
<u>Special Welfare Fund</u>				
Assets:				
Cash and Cash Equivalents	\$ 197,199	\$ 70,359	\$ 51,069	\$ 216,489
Accounts Receivable	1,500	64,889	66,389	-
Total Assets	\$ 198,699	\$ 135,248	\$ 117,458	\$ 216,489
Liabilities:				
Accounts Payable	\$ 2,157	\$ 1,325	\$ 2,156	\$ 1,326
Funds Held in Trust for Others	196,542	67,632	49,011	215,163
Total Liabilities	\$ 198,699	\$ 68,957	\$ 51,167	\$ 216,489
 <u>Performance Bond Fund</u>				
Assets:				
Cash and Cash Equivalents	\$ 11,566,025	\$ 9,648,083	\$ 1,830,720	\$ 19,383,388
Accounts Receivable	-	9,411,513	9,411,513	-
Total Assets	\$ 11,566,025	\$ 19,059,596	\$ 11,242,233	\$ 19,383,388
Liabilities:				
Accounts Payable	\$ -	\$ 88,029	\$ -	\$ 88,029
Funds Held in Trust for Others	11,566,025	9,560,125	1,830,791	19,295,359
Total Liabilities	\$ 11,566,025	\$ 9,648,154	\$ 1,830,791	\$ 19,383,388
 <u>Employee Benefits Distribution Fund</u>				
Assets:				
Cash and Cash Equivalents	\$ 3,150,800	\$ 122,697,161	\$ 122,799,970	\$ 3,047,991
Cash with Fiscal Agents	60,000	-	-	60,000
Total Assets	\$ 3,210,800	\$ 122,697,161	\$ 122,799,970	\$ 3,107,991
Liabilities:				
Accounts Payable	\$ 2,813,439	\$ 2,795,576	\$ 2,813,439	\$ 2,795,576
Other Liabilities	\$ 397,361	\$ 119,767,086	\$ 119,852,032	\$ 312,415
Total Liabilities	\$ 3,210,800	\$ 122,562,662	\$ 122,665,471	\$ 3,107,991
 <u>Adult Detention Center (ADC) Inmate Fund</u>				
Assets:				
Cash and Cash Equivalents	\$ 473,795	\$ 1,923,162	\$ 1,897,469	\$ 499,488
Total Assets	\$ 473,795	\$ 1,923,162	\$ 1,897,469	\$ 499,488
Liabilities:				
Funds Held in Trust for Others	\$ 473,795	\$ 1,923,163	\$ 1,897,470	\$ 499,488
Total Liabilities	\$ 473,795	\$ 1,923,163	\$ 1,897,470	\$ 499,488
 <u>Totals - All Agency Funds</u>				
Assets:				
Cash and Cash Equivalents	\$ 15,387,819	\$ 134,338,765	\$ 126,579,228	\$ 23,147,356
Cash with Fiscal Agents	60,000	-	-	60,000
Accounts Receivable	1,500	9,476,402	9,477,902	-
Total Assets	\$ 15,449,319	\$ 143,815,167	\$ 136,057,130	\$ 23,207,356
Liabilities:				
Accounts Payable	\$ 2,815,596	\$ 2,884,930	\$ 2,815,595	\$ 2,884,931
Other Liabilities	397,361	119,767,086	119,852,032	312,415
Funds Held in Trust for Others	12,236,362	11,550,920	3,777,272	20,010,010
Total Liabilities	\$ 15,449,319	\$ 134,202,936	\$ 126,444,899	\$ 23,207,356



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Component Unit - School Board Funds



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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. It accounts for all financial resources except those required to be accounted for in another fund. Financing is provided primarily by transfers from the primary government and the Commonwealth of Virginia 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 proceeds transferred from the primary government.

Special Revenue Funds

School Nutrition Fund - This fund is used to account for the procurement, preparation and serving of student breakfasts, snacks, and lunches. The primary revenue sources are receipts derived from food sales and the Federal school lunch program.

Grant Fund - This fund is used to account for all Federal, State and local grants. The primary revenue source is Federal government funding.

Lease Fund - This fund is used to account for all lease proceeds and expenditures.

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 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 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 Fund - This fund is used to account for the financing of goods and services of the fleet management services.

Self-Insurance Fund - This fund is used to account for the transactions associated with the comprehensive health benefits self-insurance program, the disability self-insurance program, and the workers' compensation insurance program.

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, 2017**

	General	Capital Improvements	Special Revenue	Capital Asset Replacement	Debt Service	Permanent Peabody	Total School Board
ASSETS							
Cash and Cash Equivalents	\$ 200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200
Restricted Cash and Investments	-	-	2,281,657	-	-	-	2,281,657
Receivables, Net:							
Accounts	1,911,005	250,000	2,315,311	-	-	-	4,476,316
Due from Primary Government	262,977,933	-	-	-	-	-	262,977,933
Due from Other Governments	14,433,693	-	1,959,620	-	-	-	16,393,313
Interfund Receivables	-	89,817,334	13,358,390	9,260,938	2,396,901	26,920	114,860,483
Due from Component Unit	85,663	-	-	-	-	-	85,663
Inventory of Supplies	-	-	426,203	-	-	-	426,203
Prepaid Items	138,578	-	-	-	-	-	138,578
Deposits	-	50,000	-	-	-	-	50,000
Total Assets	\$ 279,547,072	\$ 90,117,334	\$ 20,341,181	\$ 9,260,938	\$ 2,396,901	\$ 26,920	\$ 401,690,346
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts Payable	\$ 5,666,830	\$ 20,940,713	\$ 244,345	\$ 869,082	\$ -	\$ -	\$ 27,720,970
Retainage Payable	-	8,807,784	-	-	-	-	8,807,784
Accrued Liabilities	66,488,486	10,014,196	2,692,018	-	-	-	79,194,700
Interfund Payables	152,994,604	-	1,794,914	-	-	-	154,789,518
Due to Agency Fund	13,594,486	-	-	-	-	-	13,594,486
Other Liabilities	206,034	-	-	-	-	-	206,034
Unearned Revenue	-	-	4,201,832	-	-	-	4,201,832
Total Liabilities	238,950,440	39,762,693	8,933,109	869,082	-	-	288,515,324
Fund Balances:							
Non-spendable:							
Inventories	-	-	426,203	-	-	-	426,203
Advances and Prepaid Items	138,578	50,000	-	-	-	-	188,578
Permanent Fund-Nonexpendable	-	-	-	-	-	26,920	26,920
Restricted for:							
Legal Agreement	-	-	1,824,776	-	-	-	1,824,776
Committed to:							
Subsequent Year Appropriations	-	-	-	-	2,396,901	-	2,396,901
Capital Improvements	-	50,304,641	-	-	-	-	50,304,641
Capital Asset Preservation	-	-	-	8,391,856	-	-	8,391,856
Assigned to:							
Contractual Obligations	12,966,285	-	-	-	-	-	12,966,285
Subsequent Year Appropriations	12,000,000	-	-	-	-	-	12,000,000
School Nutrition Services Fund	-	-	9,157,093	-	-	-	9,157,093
Unassigned	15,491,769	-	-	-	-	-	15,491,769
Total Fund Balances	40,596,632	50,354,641	11,408,072	8,391,856	2,396,901	26,920	113,175,022
Total Liabilities and Fund Balances	\$ 279,547,072	\$ 90,117,334	\$ 20,341,181	\$ 9,260,938	\$ 2,396,901	\$ 26,920	\$ 401,690,346

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, 2017

	<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>
REVENUES							
Use of Money and Property	\$ 1,873,339	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,873,339
Charges for Services	2,871,436	-	18,669,532	-	-	-	21,540,968
Miscellaneous	2,473,205	-	1,281,386	-	-	-	3,754,591
Recovered Costs	3,547,551	-	-	-	-	-	3,547,551
Intergovernmental - Commonwealth	317,123,111	-	6,340,427	-	-	-	323,463,538
Intergovernmental - Federal	252,028	-	24,943,133	-	-	-	25,195,161
Payments from Primary Government	681,864,398	103,124,442	-	8,992,500	10,273,351	-	804,254,691
Total Revenues	<u>1,010,005,068</u>	<u>103,124,442</u>	<u>51,234,478</u>	<u>8,992,500</u>	<u>10,273,351</u>	<u>-</u>	<u>1,183,629,839</u>
EXPENDITURES							
Current Operating:							
Instruction	796,199,759	-	18,752,497	-	-	1,400	814,953,656
Support Services	174,099,574	38,257	27,340,822	4,886,005	-	-	206,364,658
Technology	27,017,825	-	9,349,137	-	-	-	36,366,962
Capital Outlay	7,094,251	124,766,325	4,057,837	1,411,767	-	-	137,330,180
Debt service:							
Principal Payments	-	-	-	-	9,972,603	-	9,972,603
Interest and Service Charges	-	-	-	-	300,748	-	300,748
Total Expenditures	<u>1,004,411,409</u>	<u>124,804,582</u>	<u>59,500,293</u>	<u>6,297,772</u>	<u>10,273,351</u>	<u>1,400</u>	<u>1,205,288,807</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5,593,659</u>	<u>(21,680,140)</u>	<u>(8,265,815)</u>	<u>2,694,728</u>	<u>-</u>	<u>(1,400)</u>	<u>(21,658,968)</u>
OTHER FINANCING SOURCES							
Lease/Purchase Financing	-	-	10,000,000	-	-	-	10,000,000
Transfers in	23,824,678	-	-	-	-	-	23,824,678
Transfers out	(10,901,458)	-	-	-	-	-	(10,901,458)
Total Other Financing Sources	<u>12,923,220</u>	<u>-</u>	<u>10,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,923,220</u>
Net Change in Fund Balances	18,516,879	(21,680,140)	1,734,185	2,694,728	-	(1,400)	1,264,252
Fund Balances at Beginning of Year	<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>
Fund Balances at End of Year	<u>\$ 40,596,632</u>	<u>\$ 50,354,641</u>	<u>\$ 11,408,072</u>	<u>\$ 8,391,856</u>	<u>\$ 2,396,901</u>	<u>\$ 26,920</u>	<u>\$ 113,175,022</u>

**COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE OF
SCHOOL GENERAL FUND
COMPONENT UNIT - SCHOOL BOARD
FOR THE YEAR ENDED JUNE 30, 2017**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Resources (Inflows)				
Use of Money and Property	\$ 2,672,831	\$ 2,672,831	\$ 1,873,339	\$ (799,492)
Charges for Services	4,585,905	4,585,905	2,871,436	(1,714,469)
Miscellaneous	1,211,651	1,303,577	2,473,205	1,169,628
Recovered Costs	2,330,543	2,330,543	3,547,551	1,217,008
Intergovernmental - Commonwealth	317,219,265	317,387,036	317,123,111	(263,925)
Intergovernmental - Federal	87,807	87,807	252,028	164,221
Transfers from Other Funds	704,076	15,628,911	23,824,678	8,195,767
Payment from Primary Government	694,787,619	694,573,824	681,864,398	(12,709,426)
Amounts Available for Appropriation	<u>1,023,599,697</u>	<u>1,038,570,434</u>	<u>1,033,829,746</u>	<u>(4,740,688)</u>
Charges to Appropriations (Outflows)				
Education	1,030,599,697	1,045,570,432	1,004,411,409	41,159,023
Transfers to Other Funds	-	-	10,901,458	(10,901,458)
Total Charges to Appropriations	<u>1,030,599,697</u>	<u>1,045,570,432</u>	<u>1,015,312,867</u>	<u>30,257,565</u>
Excess (Deficiency) of Resources Over (Under)				
Charges to Appropriations	(7,000,000)	(6,999,998)	18,516,879	25,516,877
Fund Balance at Beginning of Year	<u>22,079,753</u>	<u>22,079,753</u>	<u>22,079,753</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 15,079,753</u>	<u>\$ 15,079,755</u>	<u>\$ 40,596,632</u>	<u>\$ 25,516,877</u>

**COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE OF
SCHOOL CAPITAL IMPROVEMENTS FUND
COMPONENT UNIT - SCHOOL BOARD
FOR THE YEAR ENDED JUNE 30, 2017**

	Prior Years	Current Year	Total to Date	Budget Authorization
REVENUES				
Payment from Primary Government	\$ 832,581,186	\$ 103,124,442	\$ 935,705,628	\$ 1,221,348,991
Miscellaneous	450,000	-	450,000	350,000
Total Revenues	<u>833,031,186</u>	<u>103,124,442</u>	<u>936,155,628</u>	<u>1,221,698,991</u>
EXPENDITURES				
Education	765,208	38,257	803,465	961,000
Capital Outlay	760,175,838	124,766,325	884,942,163	1,220,737,991
Total Expenditures	<u>760,941,046</u>	<u>124,804,582</u>	<u>885,745,628</u>	<u>1,221,698,991</u>
Excess (Deficiency) of Resources Over (Under)				
Charges to Appropriations	<u>72,090,140</u>	<u>(21,680,140)</u>	<u>50,410,000</u>	<u>-</u>
OTHER FINANCING USES				
Transfers Out	(55,359)	-	(55,359)	-
Total Other Financing Uses	<u>(55,359)</u>	<u>-</u>	<u>(55,359)</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ 72,034,781</u>	<u>\$ (21,680,140)</u>	<u>\$ 50,354,641</u>	<u>\$ -</u>
Fund Balance at Beginning of Year		72,034,781		
Fund Balance at End of Year		<u>\$ 50,354,641</u>		

COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE OF
SCHOOL NUTRITION SERVICES FUND - SPECIAL REVENUE
COMPONENT UNIT - SCHOOL BOARD
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Resources (Inflows)				
Charges for Services	\$ 17,436,334	\$ 17,436,373	\$ 18,633,779	\$ 1,197,406
Intergovernmental - Commonwealth	314,421	314,421	380,546	66,125
Intergovernmental - Federal	8,571,743	8,571,743	9,731,055	1,159,312
Amounts Available for Appropriation	<u>26,322,498</u>	<u>26,322,537</u>	<u>28,745,380</u>	<u>2,422,843</u>
Charges to Appropriations (Outflows)				
Education	26,322,498	26,322,537	25,482,891	839,646
Total Charges to Appropriations	<u>26,322,498</u>	<u>26,322,537</u>	<u>25,482,891</u>	<u>839,646</u>
Excess of Resources Over				
Charges to Appropriations	-	-	3,262,489	3,262,489
Fund Balance at Beginning of Year	<u>6,320,807</u>	<u>6,320,807</u>	<u>6,320,807</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 6,320,807</u>	<u>\$ 6,320,807</u>	<u>\$ 9,583,296</u>	<u>\$ 3,262,489</u>

**COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE OF
SCHOOL GRANT FUND - SPECIAL REVENUE
COMPONENT UNIT - SCHOOL BOARD
FOR THE YEAR ENDED JUNE 30, 2017**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Resources (Inflows)				
Charges for Services	\$ 50,000	\$ 53,609	\$ 35,753	\$ (17,856)
Miscellaneous	1,868,065	2,657,958	1,273,603	(1,384,355)
Intergovernmental - Commonwealth	4,686,663	9,613,210	5,959,881	(3,653,329)
Intergovernmental - Federal	14,150,570	21,206,025	15,212,078	(5,993,947)
Amounts Available for Appropriation	<u>20,755,298</u>	<u>33,530,802</u>	<u>22,481,315</u>	<u>(11,049,487)</u>
Charges to Appropriations (Outflows)				
Education	20,755,298	33,530,802	22,444,485	11,086,317
Total Charges to Appropriations	<u>20,755,298</u>	<u>33,530,802</u>	<u>22,444,485</u>	<u>11,086,317</u>
Excess of Resources Over				
Charges to Appropriations	-	-	36,830	36,830
Fund Balance at Beginning of Year	<u>50,516</u>	<u>50,516</u>	<u>50,516</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 50,516</u>	<u>\$ 50,516</u>	<u>\$ 87,346</u>	<u>\$ 36,830</u>

**COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE OF
SCHOOL LEASE FUND - SPECIAL REVENUE
COMPONENT UNIT - SCHOOL BOARD
FOR THE YEAR ENDED JUNE 30, 2017**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Resources (Inflows)				
Miscellaneous	\$ -	\$ -	\$ 7,783	\$ 7,783
Lease/Purchase Financing	10,000,000	13,300,956	10,000,000	(3,300,956)
Amounts Available for Appropriation	<u>10,000,000</u>	<u>13,300,956</u>	<u>10,007,783</u>	<u>(3,293,173)</u>
Charges to Appropriations (Outflows)				
Education	10,000,000	13,300,956	11,572,917	1,728,039
Total Charges to Appropriations	<u>10,000,000</u>	<u>13,300,956</u>	<u>11,572,917</u>	<u>1,728,039</u>
Deficiency of Resources Under				
Charges to Appropriations	-	-	(1,565,134)	(1,565,134)
Fund Balance at Beginning of Year	3,302,564	3,302,564	3,302,564	-
Fund Balance at End of Year	<u>\$ 3,302,564</u>	<u>\$ 3,302,564</u>	<u>\$ 1,737,430</u>	<u>\$ (1,565,134)</u>

**COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE OF
SCHOOL CAPITAL ASSET PRESERVATION FUND
COMPONENT UNIT - SCHOOL BOARD
FOR THE YEAR ENDED JUNE 30, 2017**

	Prior Years	Current Year	Total to Date	Budget Authorization
REVENUES				
Payment from Primary Government	\$ 5,697,128	\$ 8,992,500	\$ 14,689,628	\$ 14,689,628
Total Revenues	<u>5,697,128</u>	<u>8,992,500</u>	<u>14,689,628</u>	<u>14,689,628</u>
EXPENDITURES				
Education	-	4,886,005	4,886,005	13,811,222
Capital Outlay	-	1,411,767	1,411,767	878,406
Total Expenditures	<u>-</u>	<u>6,297,772</u>	<u>6,297,772</u>	<u>14,689,628</u>
Excess of Revenues Over Expenditures	<u>5,697,128</u>	<u>2,694,728</u>	<u>8,391,856</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ 5,697,128</u>	<u>\$ 2,694,728</u>	<u>\$ 8,391,856</u>	<u>\$ -</u>
Fund Balance at Beginning of Year		5,697,128		
Fund Balance at End of Year		<u>\$ 8,391,856</u>		

COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE OF
SCHOOL DEBT SERVICE FUND
COMPONENT UNIT - SCHOOL BOARD
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Resources (Inflows)				
Payment from Primary Government	\$ 10,273,351	\$ 10,273,351	\$ 10,273,351	\$ -
Amounts Available for Appropriation	<u>10,273,351</u>	<u>10,273,351</u>	<u>10,273,351</u>	<u>-</u>
Charges to Appropriations (Outflows)				
Nondepartmental:				
Debt Service	10,273,351	10,273,351	10,273,351	-
Total Charges to Appropriations	<u>10,273,351</u>	<u>10,273,351</u>	<u>10,273,351</u>	<u>-</u>
Excess of Resources Over Charges to Appropriations	-	-	-	-
Fund Balance at Beginning of Year	2,396,901	2,396,901	2,396,901	-
Fund Balance at End of Year	<u>\$ 2,396,901</u>	<u>\$ 2,396,901</u>	<u>\$ 2,396,901</u>	<u>-</u>

COUNTY OF LOUDOUN, VIRGINIA
COMBINING STATEMENT OF PROPRIETARY NET POSITION
INTERNAL SERVICE FUNDS
COMPONENT UNIT - SCHOOL BOARD
AS OF JUNE 30, 2017

	Central Service Fund	Self- Insurance Fund	Total
ASSETS			
Current Assets:			
Deposits	\$ -	\$ 2,719,000	\$ 2,719,000
Receivables, Net	8,332	433,222	441,554
Interfund Receivables	-	40,856,284	40,856,284
Inventory of Supplies	720,006	-	720,006
Total Current Assets	<u>728,338</u>	<u>44,008,506</u>	<u>44,736,844</u>
Noncurrent Assets:			
Capital Assets:			
Depreciable, Net	3,723,638	-	3,723,638
Total Noncurrent Assets	<u>3,723,638</u>	<u>-</u>	<u>3,723,638</u>
Total Assets	<u>\$ 4,451,976</u>	<u>\$ 44,008,506</u>	<u>\$ 48,460,482</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pension	<u>\$ 646,563</u>	<u>\$ -</u>	<u>\$ 646,563</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 243,919	\$ 43,095	\$ 287,014
Accrued Liabilities	-	2,379,943	2,379,943
Interfund Payables	927,249	-	927,249
Claims Liabilities	-	16,762,465	16,762,465
Total Current Liabilities	<u>1,171,168</u>	<u>19,185,503</u>	<u>20,356,671</u>
Noncurrent Liabilities:			
Claims Liabilities	-	518,427	518,427
Net Pension Liability	1,413,344	-	1,413,344
Total Noncurrent Liabilities	<u>1,413,344</u>	<u>518,427</u>	<u>1,931,771</u>
Total Liabilities	<u>\$ 2,584,512</u>	<u>\$ 19,703,930</u>	<u>\$ 22,288,442</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pension	<u>\$ 36,399</u>	<u>\$ -</u>	<u>\$ 36,399</u>
NET POSITION			
Net Investment in Capital Assets	\$ 3,723,638	\$ -	\$ 3,723,638
Unrestricted	(1,246,010)	24,304,576	23,058,566
Total Net Position	<u>\$ 2,477,628</u>	<u>\$ 24,304,576</u>	<u>\$ 26,782,204</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, 2017

	Central Service Fund	Self- Insurance Fund	Total
Operating Revenues:			
Charges for Services	\$ 17,766,379	\$ 180,470,920	\$ 198,237,299
Use of Property	10,330	-	10,330
Total Operating Revenues	<u>17,776,709</u>	<u>180,470,920</u>	<u>198,247,629</u>
Operating Expenses:			
Personnel Services	5,738,190	4,034,097	9,772,287
Other Services and Charges	2,776,278	8,777,120	11,553,398
Materials and Supplies	8,828,307	200,635	9,028,942
Depreciation	208,876	-	208,876
Claims	-	154,055,951	154,055,951
Total Operating Expenses	<u>17,551,651</u>	<u>167,067,803</u>	<u>184,619,454</u>
Operating Income	225,058	13,403,117	13,628,175
Non-Operating Revenues:			
Loss on Sale of Capital Assets	(182)	-	(182)
Total Non-Operating Revenues	<u>(182)</u>	<u>-</u>	<u>(182)</u>
Operating Income Before Transfers	<u>224,876</u>	<u>13,403,117</u>	<u>13,627,993</u>
Transfers In	-	10,901,458	10,901,458
Transfers Out	-	(23,824,678)	(23,824,678)
Total Transfers, net	<u>-</u>	<u>(12,923,220)</u>	<u>(12,923,220)</u>
Change in Net Position	224,876	479,897	704,773
Net Position at Beginning of Year	2,252,752	23,824,679	26,077,431
Net Position at End of Year	<u><u>\$ 2,477,628</u></u>	<u><u>\$ 24,304,576</u></u>	<u><u>\$ 26,782,204</u></u>

**COUNTY OF LOUDOUN, VIRGINIA
COMBINING STATEMENT OF PROPRIETARY CASH FLOWS
INTERNAL SERVICE FUNDS
COMPONENT UNIT - SCHOOL BOARD
FOR THE YEAR ENDED JUNE 30, 2017**

	Central Service Fund	Self- Insurance Fund	Total
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 17,778,266	\$ 180,436,189	\$ 198,214,455
Payments to Suppliers for Goods and Services	(11,538,400)	(7,254,358)	(18,792,758)
Claims Paid	-	(150,863,389)	(150,863,389)
Payments to Employees	(5,735,402)	(4,034,097)	(9,769,499)
Payments to Interfund Services	(429,086)	(5,361,125)	(5,790,211)
Net Cash Provided by Operating Activities	<u>75,378</u>	<u>12,923,220</u>	<u>12,998,598</u>
Cash Flows from Noncapital Financing Activities:			
Transfers In	-	10,901,458	10,901,458
Transfers Out	-	(23,824,678)	(23,824,678)
Net Cash Used in Noncapital Financing Activities	<u>-</u>	<u>(12,923,220)</u>	<u>(12,923,220)</u>
Cash Flows from Capital and Related Financing Activities:			
Additions to Capital Assets	(75,684)	-	(75,684)
Proceeds from Sale of Capital Assets	306	-	306
Net Cash Used in Capital and Related Financing Activities	<u>(75,378)</u>	<u>-</u>	<u>(75,378)</u>
Net Decrease in Cash and Cash Equivalents	-	-	-
Cash and Cash Equivalents at Beginning of Year	-	-	-
Cash and Cash Equivalents at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Net Operating Income	<u>\$ 225,058</u>	<u>\$ 13,403,117</u>	<u>\$ 13,628,175</u>
Adjustment Not Affecting Cash:			
Depreciation	208,876	-	208,876
(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:			
Receivable, Net	1,557	(34,731)	(33,174)
Interfund Receivables	-	(5,361,125)	(5,361,125)
Inventory	(13,732)	-	(13,732)
Accounts Payable	79,917	16,416	96,333
Interfund Payables	(429,086)	-	(429,086)
Claims Liabilities	-	3,192,562	3,192,562
Net Pension Liability	2,788	-	2,788
Accrued Liabilities	-	1,706,981	1,706,981
Total Adjustments	<u>(149,680)</u>	<u>(479,897)</u>	<u>(629,577)</u>
Net Cash Provided by Operating Activities	<u>\$ 75,378</u>	<u>\$ 12,923,220</u>	<u>\$ 12,998,598</u>

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

	Other Postemployment Benefits Trust Fund
ASSETS	
Investments in Pooled Funds	\$ 140,815,006
Total Investments	140,815,006
Total Assets	140,815,006
LIABILITIES	
Accounts Payable	-
Total Liabilities	-
NET POSITION	
Held in Trust for Other Postemployment Benefits	\$ 140,815,006

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

	Other Postemployment Benefits Trust Fund
ADDITIONS	
Contributions:	
Employer	\$ 26,321,831
Total Contributions	<u>26,321,831</u>
Investment Earnings:	
Net Appreciation in Fair Value of Investments	10,038,133
Interest	15,769
Total Investment Earnings	<u>10,053,902</u>
Less Investment Expense:	
Investment Management Fees	(82,295)
Net Investment Income	<u>9,971,607</u>
Total Additions	<u>36,293,438</u>
DEDUCTIONS	
Benefits	13,807,912
Administrative Expense	513,919
Total Deductions	<u>14,321,831</u>
Change in Net Position	21,971,607
Net Position at Beginning of Year	<u>118,843,399</u>
Net Position at End of Year	<u>\$ 140,815,006</u>

COUNTY OF LOUDOUN, VIRGINIA
 COMBINING STATEMENT OF ASSETS AND LIABILITIES - AGENCY FUNDS
 COMPONENT UNIT - SCHOOL BOARD
 AS OF JUNE 30, 2017

	Payroll Liabilities Distribution Fund	Student Activity Fund	Total Agency Funds
ASSETS			
Cash and Cash Equivalents	\$ -	\$ 7,767,961	\$ 7,767,961
Accounts Receivable, net	3,200	-	3,200
Due from General Fund	13,594,486	-	13,594,486
Total Assets	<u>\$ 13,597,686</u>	<u>\$ 7,767,961</u>	<u>\$ 21,365,647</u>
LIABILITIES			
Accounts Payable	\$ 13,597,686	\$ -	\$ 13,597,686
Collections Held in Trust	-	7,767,961	7,767,961
Total Current Liabilities	<u>\$ 13,597,686</u>	<u>\$ 7,767,961</u>	<u>\$ 21,365,647</u>
Total Liabilities			

Capital Assets



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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, 2017

CAPITAL ASSETS	
Land	\$ 170,691,115
Buildings	476,059,416
Improvements Other Than Buildings	63,378,931
Equipment	218,665,032
Infrastructure	636,104,637
Construction in Progress	123,556,336
Total Current Assets	<u>1,688,455,467</u>
Less Accumulated Depreciation	<u>(385,110,975)</u>
Net Capital Assets	<u><u>\$ 1,303,344,492</u></u>

COUNTY OF LOUDOUN, VIRGINIA
SCHEDULE OF CAPITAL ASSETS BY FUNCTION
AS OF JUNE 30, 2017

Function	Land	Buildings	Improvements other than Buildings	Machinery and Equipment	Infrastructure	Total
General Government Administration	\$ 25,945,231	\$ 17,228,409	\$ -	\$ 68,140,342	\$ 1,285,970	\$ 112,599,952
Judicial Administration	398,112	35,050,899	-	1,304,232	-	36,753,243
Public Safety	25,317,634	197,659,666	-	87,127,109	477,550	310,581,959
Public Works	32,155,453	64,162,562	38,958	8,616,856	633,959,631	738,933,460
Health and Welfare	3,944,806	43,776,859	-	1,128,631	-	48,850,296
Parks, Recreation and Culture	66,230,104	102,939,682	50,951,066	8,946,418	381,486	229,448,756
Community Development	16,699,775	15,241,339	12,388,907	43,401,444	-	87,731,465
Total Capital Assets Allocation to Functions	170,691,115	476,059,416	63,378,931	218,665,032	636,104,637	1,564,899,131
Less: Accumulated Depreciation	-	(108,131,072)	(25,693,361)	(126,453,539)	(124,833,003)	(385,110,975)
Total	<u>\$ 170,691,115</u>	<u>\$ 367,928,344</u>	<u>\$ 37,685,570</u>	<u>\$ 92,211,493</u>	<u>\$ 511,271,634</u>	<u>1,179,788,156</u>
Construction in Progress						123,556,336
Total Capital Assets						<u>\$ 1,303,344,492</u>

COUNTY OF LOUDOUN, VIRGINIA
SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2017

Function	Capital Assets June 30, 2016	Additions	Deductions	Transfers In / (Out)	Capital Assets June 30, 2017
General Government Administration	\$ 101,510,103	\$ 15,985,382	\$ 5,364,165	\$ 468,632	\$ 112,599,952
Judicial Administration	36,753,243	-	-	-	36,753,243
Public Safety	281,923,200	11,130,921	857,909	18,385,747	310,581,959
Public Works	709,884,213	28,385,453	48,712	712,506	738,933,460
Health and Welfare	48,073,808	792,465	15,977	-	48,850,296
Parks, Recreation and Culture	210,335,435	8,623,255	189,587	10,679,653	229,448,756
Community Development	66,443,353	13,392,635	15,405	7,910,882	87,731,465
Total Capital Assets Allocation to Function	<u>1,454,923,355</u>	<u>78,310,111</u>	<u>6,491,755</u>	<u>38,157,420</u>	<u>1,564,899,131</u>
Construction in Progress	96,484,495	65,229,261	-	(38,157,420)	123,556,336
Total	<u>1,551,407,850</u>	<u>143,539,372</u>	<u>6,491,755</u>	<u>-</u>	<u>1,688,455,467</u>
Less: Accumulated Depreciation	<u>(350,406,788)</u>	<u>(41,051,647)</u>	<u>6,347,460</u>	<u>-</u>	<u>(385,110,975)</u>
Net Capital Assets	<u><u>\$ 1,201,001,062</u></u>	<u><u>\$ 102,487,725</u></u>	<u><u>\$ 12,839,215</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,303,344,492</u></u>

Statistical Section



Historic Loudoun County Courthouse, built 1894

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>
Financial Trends	160
These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	
Revenue Capacity	164
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.	
Debt Capacity	169
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.	
Economic and Demographic Information	172
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.	
Operating Information	174
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									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Primary Government:										
Net Investment in Capital Assets	\$ 1,106,888,416	\$ 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
Restricted	318,365,692	300,791,873	337,071,835	291,903,114	289,263,838	281,340,465	268,799,538	117,028,380	140,839,102	120,692,734
Unrestricted (4)	(654,675,548)	(649,774,311)	(571,270,147)	(577,761,995)	(523,228,920)	(486,196,509)	(578,627,392)	(574,814,326)	(588,919,383)	(514,969,805)
Total Primary Government Net Position	\$ 770,578,560	\$ 647,835,719	\$ 649,940,516	\$ 521,353,197	\$ 522,621,677	\$ 449,054,274	\$ 267,541,402	\$ 127,392,550	\$ 79,283,876	\$ 94,765,983
Component Unit: (1)										
Net Investment in Capital Assets	\$ 1,634,288,422	\$ 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
Restricted	1,851,696	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
Unrestricted (3) & (4)	(718,620,114)	(746,749,077)	(816,145,675)	(871,065,799)	(101,134,357)	(82,512,411)	(12,775,272)	8,838,292	25,363,594	56,218,412
Total Component Unit Net Position	\$ 917,520,004	\$ 840,231,914	\$ 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
Total Reporting Entity: (2)										
Net Investment in Capital Assets	\$ 3,569,057,217	\$ 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
Restricted	320,217,388	304,173,273	337,101,241	324,550,608	334,806,215	307,064,105	184,105,398	212,481,057	301,059,613	214,720,281
Unrestricted (4)	(2,201,176,041)	(591,278,078)	(492,586,334)	(607,600,836)	213,841,780	145,702,769	427,006,471	364,234,111	361,314,128	360,930,930
Total Reporting Entity Net Position	\$ 1,688,098,564	\$ 1,488,067,633	\$ 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) 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 does 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 reducing unrestricted net position. The assets are reflected in the School Board Component Unit 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*.

FY2016 net position was restated for the Primary Government due to the implementation of the second portion 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*, and due to an accounting change related to the handling of NVTC gas tax, see Note XVII for more information.

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

	Fiscal Years									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Primary Government:										
Expenses										
General government administration	\$ 90,831,388	\$ 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
Judicial administration	14,466,547	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
Public safety	187,136,722	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
Public works	53,722,949	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
Health and welfare	94,719,324	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
Parks, recreation and culture	58,406,598	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
Community development	195,159,443	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
Education	833,513,916	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
Interest and other debt service charges	38,312,079	36,695,179	36,439,379	34,383,474	60,737,458	46,467,254	46,222,850	42,984,767	38,106,182	44,058,386
Total Primary Government expenses	\$ 1,566,268,966	\$ 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
Program Revenues										
Charges for services:										
General government administration	\$ 1,411,793	\$ 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
Judicial administration	1,547,052	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
Public safety	23,027,925	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
Public works	7,262,932	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
Health and welfare	8,283,297	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
Parks, recreation and culture	16,154,978	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
Community development	20,083,890	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
Education	-	-	-	-	4,660	4,647	1,744	4,188	61,609	204,551
Operating grants and contributions	88,332,960	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
Capital grants and contributions	59,875,630	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
Total Primary Government program revenues	\$ 225,980,457	\$ 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
Total Primary Government net expense (1)	\$ (1,340,288,509)	\$ (1,258,453,891)	\$ (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)
General Revenues and Other Changes in Net Position										
Taxes:										
Property taxes	\$ 1,138,369,567	\$ 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
Local sales and use taxes	122,662,155	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
Consumer utility taxes	21,807,354	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
Business license taxes	35,210,681	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
Franchise license taxes	885,931	268,173	814,680	761,526	679,828	657,160	586,485	503,990	424,254	-
Motor vehicle licenses	7,091,920	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
Bank franchise taxes	8,916,977	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
Taxes on recordation and wills	13,495,539	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
Hotel and motel room taxes	2,488,530	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
Payment from Component Unit	28,417,114									
Interest and investment earnings	23,407,795	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
Unrestricted grants and contributions	57,864,787	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
Miscellaneous	2,413,000	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
Special Item	-	-	26,764,758	-	-	-	-	-	6,381,106	-
Total Primary Government general revenues	\$ 1,463,031,350	\$ 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
Change in Net Position	\$ 122,742,841	\$ 51,980,853	\$ 109,544,582	\$ 70,125,320	\$ 73,567,403	\$ 181,512,872	\$ 140,148,852	\$ 48,108,674	\$ (15,482,107)	\$ 88,999,211

(1) Net (expense) 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									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Pre GASB 54:										
General Fund:										
Reserved									\$ 13,116,086	\$ 11,316,291
Unreserved										
Designated									105,123,783	99,502,387
Undesignated									42,653,142	46,250,909
Total General Fund									\$ 160,893,011	\$ 157,069,587
Other Governmental Funds:										
Reserved									\$ 80,629,313	\$ 82,116,013
Unreserved										
Designated:										
Special Revenue Funds									-	-
Capital Project Funds									135,914,520	75,864,057
Debt Service Fund									19,116,001	23,324,983
Undesignated:										
Special Revenue Funds									126,253,942	117,590,281
Total Other Governmental Funds									\$ 361,913,776	\$ 298,895,334
Post GASB 54:										
General Fund:										
Nonspendable	\$ 1,409,235	\$ 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	212,953,184	194,062,295	165,501,135	128,847,559	123,624,193	116,969,167	127,596,371	111,378,755		
Assigned	54,776,969	34,321,280	91,014,370	27,788,140	42,016,085	35,150,320	3,089,893	4,368,207		
Unassigned	68,520,205	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)	\$ 337,659,593	\$ 286,330,668	\$ 292,336,927	\$ 222,870,506	\$ 219,651,174	\$ 202,222,800	\$ 196,260,757	\$ 187,087,498		
All Other Governmental Funds:										
Nonspendable	\$ 180,365	\$ 2,398,345	\$ 2,540,189	\$ 2,950,698	\$ 2,576,238	\$ 2,976,188	\$ 1,455,427	\$ 1,532,553		
Restricted (3)	471,607,332	413,916,669	403,094,097	347,266,991	289,263,838	280,844,038	268,211,618	252,044,227		
Committed (2)	130,592,082	108,765,849	86,192,886	87,263,100	71,710,962	93,409,781	115,791,455	65,777,747		
Assigned	54,528,173	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)	\$ 656,907,952	\$ 581,962,659	\$ 533,937,884	\$ 490,157,103	\$ 421,438,042	\$ 399,190,242	\$ 395,806,447	\$ 332,419,416		
Total Governmental Funds	\$ 994,567,545	\$ 868,293,327	\$ 826,274,811	\$ 713,027,609	\$ 641,089,216	\$ 601,413,042	\$ 592,067,204	\$ 519,506,914	\$ 522,806,787	\$ 455,964,921

- (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 NVT A 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.
- (3) FY2016 restricted fund balance was restated due to an accounting change related to the handling of NVTC gas tax, see Notes to Financial Statements Note XVII for more information.

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

	Fiscal Years									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Revenues										
General property taxes	\$ 1,134,524,954	\$ 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
Other local taxes	212,559,087	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
Permits and licenses	24,159,923	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
Fines and forfeitures	2,068,578	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
Use of money and property	11,376,790	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
Charges for services	42,089,936	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
Gifts and donations	36,554,981	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
Miscellaneous	1,364,968	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
Recovered costs	10,501,462	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
Intergovernmental - Commonwealth of Virginia	104,158,503	95,471,328	94,207,396	101,578,851	87,849,590	87,405,196	85,827,355	79,536,378	92,494,168	90,654,860
Intergovernmental - Federal Government	30,669,525	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
Payment from Component Unit	28,417,114	-	1,336,176	-	28,174,303	-	-	-	-	-
Total revenues	\$ 1,638,445,821	\$ 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
Expenditures										
General government administration	\$ 92,085,756	\$ 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
Judicial administration	14,504,305	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
Public safety	183,158,722	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
Public works	38,888,809	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
Health and welfare	91,856,980	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
Parks, recreation and culture	58,537,526	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
Community development	193,719,087	173,225,017	114,009,274	53,813,487	48,960,308	45,934,636	37,561,438	40,414,055	42,939,187	36,782,407
Education	833,513,916	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
Capital outlay	69,538,716	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
Debt service:										
Principal payments	115,555,000	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
Interest	48,987,121	48,458,967	30,808,029	45,322,074	47,906,917	52,048,310	52,840,683	50,386,103	46,615,572	48,992,699
Service Charges	1,245,599	14,635,637	17,963,316	242,298	5,016,185	26,937	313,984	468,806	1,764,936	57,120
Total expenditures	\$ 1,741,591,537	\$ 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
Deficiency of revenues under expenditures	\$ (103,145,716)	\$ (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)
Other financing sources (uses)										
Transfers in	\$ 559,548,915	\$ 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
Transfers (out)	(571,674,592)	(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)
Issuance Premium	20,559,059	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
Issuance of Bonds and Leases	169,630,000	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
Issuance of Federal Loans	51,308,836	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)	-
Proceeds from Sale of Capital Assets to Component Unit	-	(19,998,042)	-	-	-	-	-	-	-	-
Payment to refunded lease escrow agent	-	-	-	-	-	-	-	-	-	-
Sales of Capital Assets	47,716	89,340	37,128	21,523,497	-	639,062	2,784	4,014	7,169,475	110,672
Total other financing sources, net	\$ 229,419,934	\$ 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
SPECIAL ITEM										
Return of fiscal reserve from component unit	-	-	26,764,758	-	-	-	-	-	-	-
Total change in fund balances	\$ 126,274,218	\$ 59,587,835	\$ 94,204,465	\$ 71,938,393	\$ 39,676,174	\$ 8,706,776	\$ 72,560,290	\$ (3,299,873)	\$ 66,880,772	\$ (15,519,420)
Debt service as a percentage of noncapital expenditures (Primary Government Only)										
Total debt service	\$ 164,542,121	\$ 155,898,967	\$ 139,208,029	\$ 142,797,074	\$ 139,710,694	\$ 170,752,761	\$ 154,116,299	\$ 126,755,603	\$ 130,112,866	\$ 128,745,501
Total expenditures	1,741,591,537	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
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)
Noncapital Expenditure	\$ 1,741,591,537	\$ 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
Debt service as a percentage of noncapital expenditure	9.45%	10.14%	9.56%	10.67%	11.28%	14.99%	14.11%	11.31%	10.70%	12.08%

TABLE E

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

Fiscal Year	Property	Sales & Use	Utility	Business License	Franchise	Motor Vehicle	Recordation & Will	Hotel & Motel Room	Total
2017	\$ 1,134,524,954	\$ 119,944,008	\$ 21,807,354	\$ 35,210,681	\$ 8,916,977	\$ 7,091,920	\$ 13,495,539	\$ 6,092,608	\$ 1,347,084,041
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

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			
2017	\$57,231,479,660	\$23,374,431,066	\$2,815,696,720	\$3,388,052,579	\$4,929,481,053	\$6,610,088,180	\$85,129,052,898	\$ 1.41
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

(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.

TABLE G

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

Type of tax	Calendar Years									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
LOUDOUN COUNTY										
Countywide Tax Levies:										
Real property (1):										
General Fund	\$ 1.125	\$ 1.145	\$ 1.135	\$ 1.155	\$ 1.205	\$ 1.235	\$ 1.285	\$ 1.300	\$ 1.245	\$ 1.14
Route 28 Highway Improvement	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.20
Aldie Sewer Service District ended 01/01/13	n/a	n/a	n/a	n/a	n/a	0.13	0.13	0.13	0.13	0.13
Metrorail Service District	0.20	0.20	0.20	0.20	0.20	n/a	n/a	n/a	n/a	n/a
Hamilton Sewer Service District (5)	n/a	n/a	n/a	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Total direct real property tax rate (2)	1.150	1.169	1.158	1.251	1.251	1.251	1.302	1.319	1.265	1.159
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	1.125	1.145	1.135	1.155	1.205	1.235	1.285	1.300	1.245	1.140
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)	3.988	3.808	3.808	3.750	3.659	3.699	3.515	3.277	3.139	3.500
Total Direct Rate	\$ 1.41	\$ 1.40	\$ 1.34	\$ 1.42	\$ 1.41	\$ 1.39	1.43	1.42	1.36	1.26
OVERLAPPING GOVERNMENTS (3)										
Town of Hamilton										
Real Estate	\$ 0.28	\$ 0.28	\$ 0.28	\$ 0.28	\$ 0.28	\$ 0.28	\$ 0.28	\$ 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	0.184	0.186	0.183	0.192	0.192	0.195	0.195	0.195	0.195	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	0.21	0.18	0.18
Town of Middleburg (4)										
Real Estate	0.165	0.17	0.17	0.20	0.15	0.19	0.15	0.19	0.15	0.15
Town of Purcellville										
Real Estate	0.22	0.220	0.220	0.225	0.225	0.225	0.23	0.23	0.22	0.19
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	0.18066	0.18018	0.18018	0.1981	0.2034	0.209	0.20	0.20	0.20	0.16
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
(5) As of tax year 2015, the Hamilton Sewer Service district is no longer taxed.

TABLE H

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

Taxpayer (1)	2017			2008		
	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	\$ 344,807,100	1	0.45%	\$ 214,190,100	3	0.31%
Dulles Town Center Mall LLC	268,638,100	2	0.35%	290,682,100	2	0.43%
Chelsea GCA Realty Partnership LP	232,102,190	3	0.30%	122,563,600	7	0.18%
Quantum Park LLC	222,354,040	4	0.29%			
Digital Loudoun Parkway Center North LLC	213,813,720	5	0.28%			
VISA USA INC	187,434,110	6	0.24%			
Equinix R P II LLC	183,417,370	7	0.24%			
Redwood ERC Ashburn LLC	177,432,830	8	0.23%			
Smith, Verlin W, Et Als Trustees	142,284,100	9	0.19%	174,541,500	4	0.26%
BCAL PCP Property LLC	132,881,000	10	0.17%			
America Online Inc				375,974,500	1	0.55%
Pulte Home Corporation				170,557,100	5	0.25%
Brambleton Group LLC				170,181,200	6	0.25%
P L Dulles LLC				116,792,600	8	0.17%
Juno - Loudoun LLC				109,389,900	9	0.16%
MMS One Loudoun Center LLC				108,582,500	10	0.16%
Total	<u>\$ 2,105,164,560</u>		<u>2.74%</u>	<u>\$ 1,853,455,100</u>		<u>2.71%</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
2017	\$ 1,120,550,177	1,090,009,645	97.27%	\$ -	\$ 1,090,009,645	97.275%
2016	1,043,083,318	1,016,281,573	97.43%	25,829,924	1,042,111,497	99.907%
2015	968,421,053	963,827,628	99.53%	4,322,620	968,150,248	99.972%
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%

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			
2017	\$ 1,064,093,809	\$ 253,565,000	\$ 104,913,051	\$ -	\$ 25,145,907	\$ 1,447,717,767	4.91%	\$ 3,686
2016	1,045,654,323	210,135,000	53,604,215	-	25,118,510	1,334,512,048	4.88%	3,514
2015	1,051,052,517	134,430,000	11,271,200	-	24,332,958	1,221,086,675	4.74%	3,312
2014	1,010,346,955	114,395,000	-	-	23,071,352	1,147,813,307	4.79%	3,233
2013	981,105,668	124,900,000	-	-	20,936,587	1,126,942,255	4.97%	3,303
2012	923,266,586	138,143,777	-	-	18,870,504	1,080,280,867	4.82%	3,285
2011	1,024,633,054	156,928,228	-	-	20,291,271	1,201,852,553	5.69%	3,754
2010	1,004,330,000	138,968,844	-	-	20,911,909	1,164,210,753	5.92%	3,728
2009	1,007,377,247	128,696,096	-	-	25,179,363	1,161,252,706	6.19%	3,808
2008	919,280,193	55,650,444	-	-	24,389,818	999,320,455	5.21%	3,349

TABLE K

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

Fiscal Year	General Obligation Bonds	Total General Bonded Debt	Resources Restricted to Repaying Principal	Net General Bonded Debt	Percentage of Taxable Assessed Value of Property	Net Bonded Debt Per Capita
2017	\$ 1,064,093,809	\$ 1,064,093,809	\$ -	\$ 1,064,093,809	1.25%	\$ 2,710
2016	1,045,654,323	1,045,654,323	-	1,045,654,323	1.30%	2,753
2015	1,051,052,517	1,051,052,517	-	1,051,052,517	1.37%	2,851
2014	1,010,346,955	1,010,346,955	10,004,029	1,000,342,926	1.41%	2,818
2013	981,105,668	981,105,668	10,004,029	971,101,639	1.49%	2,846
2012	923,266,586	923,266,586	10,004,029	913,262,557	1.47%	2,777
2011	1,024,633,054	1,024,633,054	-	1,024,633,054	1.70%	3,200
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

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

TABLE L

		Fiscal Policy Guideline	Fiscal Years									
			2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Ratio Data:												
Population			392,711	379,807	368,669	354,983	341,187	328,890	320,171	312,311	304,964	298,420
Estimated Market Value of Taxable Property			\$85,129,052,898	\$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
Per Capita Income			75,100	72,000	69,895	67,450	66,441	68,174	66,010	62,976	61,471	64,256
Governmental Expenditures			2,784,364,590	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
Total Reporting Entity Outstanding Debt			1,447,717,767	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
Total Reporting Entity Debt Service Expenditures			175,491,847	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
Debt Capacity Goals / Ratios:												
Annual Debt Issuance Limit	\$ 225,000,000		\$ 175,630,000	\$ 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
Debt Per Capita	2,500.00		3,686.47	3,513.66	3,312.15	3,233.43	3,303.00	3,284.63	3,753.78	3,727.73	3,807.84	3,348.70
Debt To Estimated Market Value of Taxable Property	3.00%		1.70%	1.66%	1.59%	1.61%	1.72%	1.74%	1.99%	1.99%	1.91%	1.49%
Debt To Per Capita Income	8.00%		4.91%	4.88%	4.74%	4.79%	4.97%	4.82%	5.69%	5.92%	6.19%	5.21%
Debt Service To Expenditures	10.00%		6.30%	6.73%	7.41%	7.01%	7.96%	9.95%	9.10%	7.81%	7.49%	8.82%
Affordability Index:												
Fiscal Year 2017	\$2,171,390,405		\$ 1,447,717,767									
Fiscal Year 2016	\$2,041,329,240			\$ 1,334,512,048								
Fiscal Year 2015	\$1,939,770,196				\$ 1,221,086,675							
Fiscal Year 2014	\$1,809,055,708					\$ 1,147,813,307						
Fiscal Year 2013	\$1,648,311,001						\$ 1,126,942,255					
Fiscal Year 2012	\$1,590,891,694							\$ 1,080,280,867				
Fiscal Year 2011	\$1,528,652,876								\$ 1,201,852,553			
Fiscal Year 2010	\$1,464,069,767									\$ 1,164,210,753		
Fiscal Year 2009	\$1,466,412,605										\$ 1,161,252,706	
Fiscal Year 2008	\$1,556,795,125											\$ 999,320,455
OVERLAPPING DEBT (2)												
Commonwealth of Virginia			\$ 108,975,136	\$ 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
Peumansend Creek Regional Jail Authority (4)			-	76,000	153,600	232,800	313,600	396,000	481,600	569,600	658,400	748,000
Northern Virginia Criminal Justice Academy (4)			-	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
Loudoun Water (formally Loudoun County Sanitation Authority) (3)			-	-	27,476	54,953	82,429	109,906	137,382	164,858	192,335	219,811
Dulles Town Center Community Development Authority			22,350,000	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
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
Dulles Industrial Park Water and Sewer (3)			-	-	72,968	213,372	346,712	473,342	593,601	-	-	-
Greenlea Community Bridge			248,730	276,585	302,841	327,590	350,918	372,907	393,633	-	-	-
Total Overlapping Debt			\$ 131,573,866	\$ 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
Fiscal Policy Guideline												
			\$ 851,290,529	\$ 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

(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

(4) Overlapping Debt for Peumansend Creek Regional Jail Authority and Northern Virginia Criminal Justice Academy paid in full in FY17

TABLE M

**COUNTY OF LOUDOUN, VIRGINIA
DEMOGRAPHIC STATISTICS**

Year	Population (1)	Personal Income (2)	Per Capita Personal Income (3)	Unemployment Rate (4)	School Enrollment (5)
2017	392,711	\$ 29,492,596,100	\$ 75,100	3.2%	79,001
2016	379,807	27,346,104,000	72,000	3.4%	76,263
2015	368,669	25,768,119,755	69,895	3.8%	73,461
2014	354,983	23,943,603,350	67,450	4.5%	70,858
2013	341,187	22,668,805,467	66,441	4.8%	68,289
2012	328,890	22,421,746,860	68,174	4.8%	65,668
2011	320,171	21,134,487,710	66,010	5.0%	63,220
2010	312,311	19,668,097,536	62,976	5.2%	60,096
2009	304,964	18,746,442,044	61,471	5.0%	57,009
2008	298,420	19,175,275,520	64,256	2.9%	54,047

Sources:

(1) Loudoun County Department of Planning & Zoning, 2017 Fiscal Impact Committee Guidelines, Table 4(a).

(2) Loudoun County Department of Management and Budget

(3) Through 2015: U.S. Bureau of Economic Analysis, 11/17/2016 release; 2016-17 Department of Management and Budget estimate

(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.

(6) Prior year numbers are adjusted as more current data becomes available

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

Employer	2017			2008		
	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	10,640	6.58%	1	9,309	7.11%
County of Loudoun	2	3,754	2.32%	3	3,375	2.58%
United Air Lines, Inc.	3	1,000-3,500	1.39%	5	1,000-5,000	2.29%
Raytheon Company	4	1,000-3,500	1.39%			
Orbital ATK, Inc. (formerly Orbital Sciences Corp)	5	1,000-3,500	1.39%	10	1,000-5,000	2.29%
Loudoun Hospital Center	6	1,000-3,500	1.39%	9	1,000-5,000	2.29%
U.S. Department of Homeland Security	7	1,000-3,500	1.39%	6	1,000-5,000	2.29%
Swissport USA, Inc.	8	1,000-3,500	1.39%			
M.C. Dean, Inc.	9	1,000-3,500	1.39%	7	1,000-5,000	2.29%
Walmart	10	1,000-3,500	1.39%			
Verizon Business (formerly MCI Worldcom)				4	1,000-5,000	2.29%
U.S. Postal Service				8	1,000-5,000	2.29%
America Online				2	1,000-5,000	2.29%
Totals			20.02%			28.01%

- (1) Virginia Employment Commission, 4th Quarter 2016 and 2007, Loudoun County Public Schools, and Loudoun County Department of Finance & Procurement.
- (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

Function/Program	Full-time Equivalent Employees									
	as of June 30									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Government Administration	425	401	405	370	352	372	372	379	348	352
Judicial Administration	140	137	132	132	130	132	128	128	126	128
Public Safety	1,577	1,567	1,494	1,421	1,409	1,407	1,294	1,294	1,294	1,331
Public Works	87	83	84	104	116	84	83	83	113	120
Health and Welfare	627	618	599	666	589	589	599	599	598	603
Parks, Recreation and Culture	644	631	625	595	605	605	570	570	572	573
Community Development	254	251	247	248	237	237	257	249	253	268
Total Primary Government	3,754	3,688	3,584	3,536	3,438	3,426	3,303	3,302	3,304	3,375
Education	10,640	10,210	9,822	9,638	9,671	9,663	10,098	9,838	10,533	9,309
Total Reporting Entity	14,394	13,898	13,406	13,746	13,109	13,089	13,401	13,140	13,837	12,684

Source: County of Loudoun Department of Management and Budget

TABLE P

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

Function	Fiscal Years									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Government Administration										
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	99.97%	99.95%	99%	99%	99%	100%	100%	100%	100%	100%
Judicial Administration										
Number of Deed book recordings	68,629	62,418	63,854	59,982	88,743	62,250	65,745	64,312	61,946	65,951
Public Safety										
Sheriff's Office										
Average response time for emergency calls	11:31 min	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
Average response time for non-emergency calls	18:44 min	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
Fire and Rescue Services										
Number of emergency medical incidents responded	21,303	20,101	19,425	18,356	17,984	17,067	18,133	16,060	15,888	16,381
Health and Welfare										
Number of senior meals provided	156,460	152,138	146,033	133,808	119,560	116,250	113,500	113,276	111,252	113,444
Number of vaccinations administered(a)	4,244	3,905	4,383	2,933	2,607	5,000	2,248	58,177	4,591	3,714
Number of Loudoun residents in the Medical Reserve Corps	1,368	1,382	1,379	1,365	1,306	1,300	1,100	1,189	900	816
Parks, Recreation, and Culture										
Annual park visits	876,495	848,925	817,301	843,039	783,742	660,144	567,415	541,358	775,928	849,462
Number of adults participating in adult sports leagues	5,777	6,367	5,968	5,604	5,228	6,125	5,279	6,934	10,124	10,386
Number of children participating in youth sports	53,217	52,763	52,251	51,746	51,659	49,189	83,370	63,680	62,075	87,985
Community Development										
Number of residential building permits (b)	2,691	3,109	4,056	4,276	4,302	3,236	2,679	2,073	2,314	2,401
Number of new structures completed after January 1st of tax year	1,017	891	863	1,890	1,556	1,402	1,067	1,360	1,260	4,332
Number of subdivision applications submitted	270	267	225	300	253	260	246	193	284	364
Education										
Per Pupil Expenditures	\$ 14,332	\$ 12,232	\$ 12,951	\$ 12,611	\$ 13,121	\$ 12,514	\$ 12,062	\$ 12,345	\$ 13,473	\$ 13,293
High School Completion Rate	95.50%	95.90%	95.60%	95.20%	95.70%	95.30%	94.00%	95.95%	96.08%	95.27%
Pupil-Teacher Ratio										
Kindergarten	23.0	23.0	22.0	22.0	24.0	24.0	24.0	24.0	23.0	22.0
Elementary	23.0	23.0	22.0	22.0	24.0	24.0	24.0	24.0	23.0	22.0
Intermediate/Middle	23.8	22.3	21.6	21.6	23.6	23.6	23.6	23.6	22.6	21.6
High	24.8	24.8	25.9	25.9	27.9	27.9	27.9	27.9	26.9	25.9
SAT Scores										
Math		546	541	541	539	535	532	536	535	531
Critical reading		544	543	543	539	531	536	535	533	525
Writing		527	528	527	528	524	524	526	525	519
SAT Scores (c)										
Math	569									
Evidence-based Reading and Writing	586									
Total	1,155	1,617	1,612	1,611	1,606	1,590	1,592	1,597	1,593	1,575

Source: County of Loudoun Department of Management and Budget and Loudoun County Public Schools

Notes: (a) FY2010 includes H1N1 (Swine Flu) vaccinations; beginning in FY13, numbers shown are vaccine vists, prior years are number of vaccines
(b) Starting FY2014, all figures shown are for fiscal year. Data through FY2013 were for calendar years.
(c) The SAT exam was redesigned in March 2016 to include two sections with a maximum total score of 1600. The maximum score for the old SAT exam was 2400.

COUNTY OF LOUDOUN, VIRGINIA
CAPITAL ASSETS STATISTICS BY FUNCTION

Function	Fiscal Years									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Government Administration (1)										
Square footage of office space - Owned (a)	601,987	425,737	596,677	504,846	504,846	485,138	427,665	297,321	297,321	297,321
Square footage of office space - Leased (a)	139,156	138,256	149,770	149,770	155,923	222,539	257,289	261,633	250,412	225,826
Square footage of court space	187,211	187,211	187,211	187,211	187,211	187,211	187,211	171,309	169,709	165,783
Public Safety (1)										
Police										
Sheriff stations	5	4	4	4	4	4	4	4	3	3
Jail capacity	460	460	460	460	460	460	220	220	220	220
Square footage of jail	212,000	212,000	212,000	212,000	212,000	212,000	114,924	114,924	87,850	87,850
Fire and Rescue										
Fire and Rescue stations	20	19	20	20	20	20	19	19	18	19
Other protections										
Animal shelters	1	1	1	1	1	1	1	1	1	1
Public Works (1)										
Transportation										
Commuter buses	76	74	65	57	52	50	47	45	38	35
Health and Welfare (1)										
Mental Health and Developmental Services										
Group homes - Mental Health	12	12	12	12	12	12	12	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	2	1	1	1	1
Parks, Recreation and Culture (1)										
Libraries	10	9	8	8	8	7	7	7	7	7
Square footage of libraries	185,060	170,060	175,260	162,088	162,088	122,088	127,920	123,200	108,200	108,200
Parks and Recreation Facilities										
Regional parks	3	3	3	3	3	3	3	2	2	2
District parks	4	3	3	3	3	3	3	3	3	2
Community parks	8	8	8	19	19	19	12	12	10	5
Neighborhood parks	31	31	22	-	-	-	-	-	-	-
Acres of parks	3,408	3,349	3,580	3,580	3,580	3,580	3,316	3,316	2,965	2,746
Recreation Center	1	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	84,209
Community Centers	9	9	9	9	9	9	7	7	7	10
Square Footage of community centers	92,696	92,696	92,696	92,696	92,696	92,696	76,274	76,274	76,274	99,445
Respite centers	3	3	3	3	3	3	2	2	2	2
Senior citizen centers	3	3	3	3	3	3	2	2	2	2
Community Development (1)										
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
Education (2)										
Elementary Schools										
Buildings	57	56	56	55	53	52	52	51	50	47
Square footage	4,199,245	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
Capacity	40,655	39,111	38,163	37,139	35,288	33,297	33,070	32,318	31,731	29,299
Middle Schools										
Buildings	15	15	15	14	14	14	13	13	13	13
Square footage	2,418,083	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
Capacity	18,918	18,144	16,956	16,711	16,566	16,731	15,346	15,476	15,403	15,300
High Schools										
Buildings	15	15	14	13	13	12	12	10	10	10
Square footage	3,766,798	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
Capacity	25,068	24,629	22,212	20,639	20,607	18,741	18,723	15,118	15,206	15,257
Alternative Schools										
Buildings	2	2	2	2	2	2	2	2	2	2
Square footage	127,071	127,071	123,771	123,771	123,771	123,771	124,862	124,862	124,862	124,862
School Buses	800	814	859	880	854	854	840	780	731	742

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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Published by the Loudoun County Controllers' Office

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