

Loudoun County *Virginia*

**Comprehensive
Annual Financial
Report 2013**



Year Ended June 2013

COUNTY OF LOUDOUN, VIRGINIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended

June 30, 2013

Prepared by:

Department of Management and Financial Services
Division of Finance and Accounting



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COUNTY OF LOUDOUN, VIRGINIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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INTRODUCTORY SECTION



Loudoun County, Virginia

www.loudoun.gov

Office of the County Administrator

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December 18, 2013

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

Dear Mr. Chairman and Members of the Board:

I am pleased to present the County's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2013.

This report prepared by the Division of Accounting and Financial Analysis of the Department of Management and Financial Services, 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 Comprehensive Annual Financial Report 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 insuring 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 credit ability 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 summarized progress as reported in the Comprehensive Annual Financial Report has become an indicator of the relative success of these policies. During fiscal year 2013, Moody's Investors Services, Inc. affirmed the Aaa bond rating, Standard and Poor's (S&P) affirmed the AAA bond rating and Fitch Credit Rating Services affirmed the AAA bond rating. This represents the highest rating available for general obligation bonds from all three agencies.

The County concluded fiscal year 2013 in sound financial condition. In addition, the County initiated or continued a number of organizational and administrative initiatives designed to effectively manage the challenges that continued growth has brought to Loudoun County. These initiatives include the commitment to improve the regional

transportation network by bringing the Metrorail Silver Line into Loudoun County, and designating a recurring local revenue stream in fiscal year 2014 to support transportation projects. The County also made significant changes to its retiree health care benefits plan through employee cost-sharing to reduce current and future liabilities. The County's actuarial five year projection shows the elimination of the County's Other Post Employment Benefit liability and a significant reduction of the required annual contribution.

Population growth continues to be a dominant local trend affecting every area of the government's operations. During these challenging economic times, Loudoun County has continued to follow a policy of fiscal sustainability. In April, 2013, the County adopted a fiscal year 2014 plan that resulted in an overall increase of \$13.0 million in the general county government and a \$20.7 million addition in the school system as compared to fiscal year 2013 appropriations.

It will take planning and commitment to meet the challenge of efficiently providing needed services for the current population while developing the necessary infrastructure for the future and the tax base and resources to pay for that infrastructure. The 2013 County population is estimated to be 338,897. According to the Loudoun County Department of Planning, by 2020 Loudoun's population is expected to be approximately 416,649, an increase of 23% from 2013. Loudoun is expected to experience one of the highest percentage growth rates in population and jobs in the Washington Metropolitan Area according to the Metropolitan Washington Council of Government Preliminary Round 8.2 Cooperative Forecasts as of November 2012.

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. The increasing rate of growth has increased the need for growth management and has, concurrently, modestly increased the resources available for program allocation. 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 despite the economic down-turn, 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

www.loudoun.gov

Department of Management and Financial Services

1 Harrison Street, S.E., 4th Floor, P.O. Box 7000, Leesburg, VA 20177-7000

Telephone (703) 777-0563 • Fax (703) 777-0567

December 18, 2013

County Administrator and
Honorable Members of the Board of Supervisors
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, 2013, was prepared by the County's Department of Management and Financial Services, Division of Accounting and Financial Analysis, in accordance with Sections 15.2-2510 and 15.2-2511 of the Code of Virginia. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with County management. 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. The reader is specifically directed to the section entitled "Management's Discussion and Analysis" for a summary of the County's financial activity.

Virginia statutes require an annual audit be performed by independent certified public accountants. 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 Single Audit Act of 1996 and related OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. The independent auditors' report on 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 single audit, 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.

Profile of the Government

Loudoun County, established in 1757, is located in the northwestern tip of the Commonwealth of Virginia just west and north 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, zoning, building & development, environmental management, 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, 2013 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 close of the fiscal year. The annual budget serves as the foundation for the County's financial planning and control. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual Fiscal Plan and Appropriations Resolution and adopted in the Budget by the County's Board of Supervisors. Activities of the General Fund, most Special Revenue Funds, and the Debt Service Fund are included in the annual Appropriations Resolution and adopted Fiscal Plan. Project length budgets are adopted for Capital Project Funds. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established by individual fund.

However, 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

The citizens of Loudoun are proud of their County, one that combines financial strength and stability with planned progress and a high standard of living or "quality of life." The County, currently recognized as one of the fastest growing Counties in the nation, continues to provide quality service to its residents as it plans for Loudoun's future livability, while minimizing budgetary increases and tax burdens.

The County concluded fiscal year 2013 in sound financial condition and continues to show steady growth notwithstanding the implementation of sequestration. The County's strong and diverse economic and demographic conditions reflect the prevailing positive conditions of the Metro Washington, D.C. region. The combination of the diversity in the County's business base and the financial strength of the long-term investors in the community have allowed the County's commercial environment to withstand downturns in the national and international economies. The continuing low unemployment rate, as compared to national trends, can be attributed, in part, to strong local employment within a regional economy that continues to expand. The County continues its policies of balancing residential growth, and the resulting demands for services with continued expansion of the revenue generating commercial sector. Several recent studies commissioned to assist in planning for the extension of Dulles Rail to Loudoun documented the attractiveness of the area for continued commercial and residential growth.

Loudoun's economic success in fiscal year 2013 is demonstrated by several indicators: the number of employed county residents increased by approximately 1%; the number of new residential dwelling units permitted and the square feet of non-residential space permitted for construction were higher than in 2012; and the assessed values of both real and personal property increased. In 2004 the Board of Supervisors adopted the current Economic Development Strategic Plan. The plan is community-wide and aligns public and private resources toward shared goals and priorities to enhance the commercial tax base. The Strategic Plan vision is of an innovative, globally competitive economy known for its favorable business environment, exceptional quality of place and strong sense of community. In 2013 the Board of Supervisors continued its commitment to grow Loudoun's commercial business base with the approval of additional business development resources to focus on new and emerging industry clusters such as information communications technology and aerospace/airport-related contractors.

Education continues to be a priority program within the County's operations, and the benefits are demonstrated in excellent testing results of County students. The County School System has a very favorable teacher/pupil ratio and has obtained recognition for excellence in education.

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. The County must continuously redefine its role in the community to respond to changing times. 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. Phasing growth based on the availability of adequate public facilities and distributing the costs of growth more equitably are also at the forefront of the County's strategy. The County has implemented an integrated approach to fiscal and land use planning. The strategy begins with the comprehensive plan. The comprehensive plan 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 construction of general government and school facilities remain priorities for the County. Two schools (one elementary and one high school), opened in the fall of 2012 and two additional elementary schools are currently under construction with an anticipated opening in the fall of 2013. The Board of Supervisors dedicated two cents of the tax rate to assist with the cost of road construction projects, several of which are under design. Gum Spring Library opened in the winter of 2013, which added 40,000 square feet of new library space and is one of Loudoun's largest public/private partnership projects. Many public safety and park and recreation projects were under construction during 2013, including Kincora, Neersville and Brambleton Fire and Rescue stations, and the Bluemont Community Center renovation project. In addition to construction costs, the County must plan for the additional operating costs to staff, operate, and maintain the new facilities. Additional government facilities and new schools are scheduled to be constructed and opened during the next several years.

On July, 2012 the Board of Supervisors approved the County's participation in the second phase of the Washington Metrorail project which will extend the Metrorail system into Loudoun County. On December 5, 2012, the Board of Supervisors established three Metrorail Service Districts for the purpose of providing funding for the extension project into the County. The Metrorail extension is expected to bring new commercial and residential growth to the County.

In February, 2012, the County initiated the replacement of its existing tax and assessment software and its financial and human resource systems. The implementation is being phased in over a 36 month period and will involve significant staff resources across departments to assist in the development of new systems and an analysis of current business processes. The first phase of this implementation was completed in July, 2013.

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, 2012. This Certificate of Achievement is a prestigious national award recognizing adherence to the highest standards for preparation of a state and local government financial report.

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

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

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

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

The timely preparation of this Comprehensive Annual Financial Report could not have been accomplished without the effort of the entire staff of this Department's Controller's Office. Special recognition goes to Accounting Manager, Eileen Nguyen 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, the Board of Supervisors and the citizens of the County.

It is only appropriate to express appreciation to all other members of the Controller's Office of the Department of Management and Financial Services, 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 the Board requires to maintain an equitable balance between available resources and the demand for high quality services.

County Administrator and
Honorable Members of the Board of Supervisors
Page Four

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Ben Mays', with a stylized, cursive script.

Ben Mays
Director of Management and Financial Services

A handwritten signature in black ink, appearing to read 'Janet Romanchyk', with a stylized, cursive script.

Janet Romanchyk
Controller



Government Finance Officers Association

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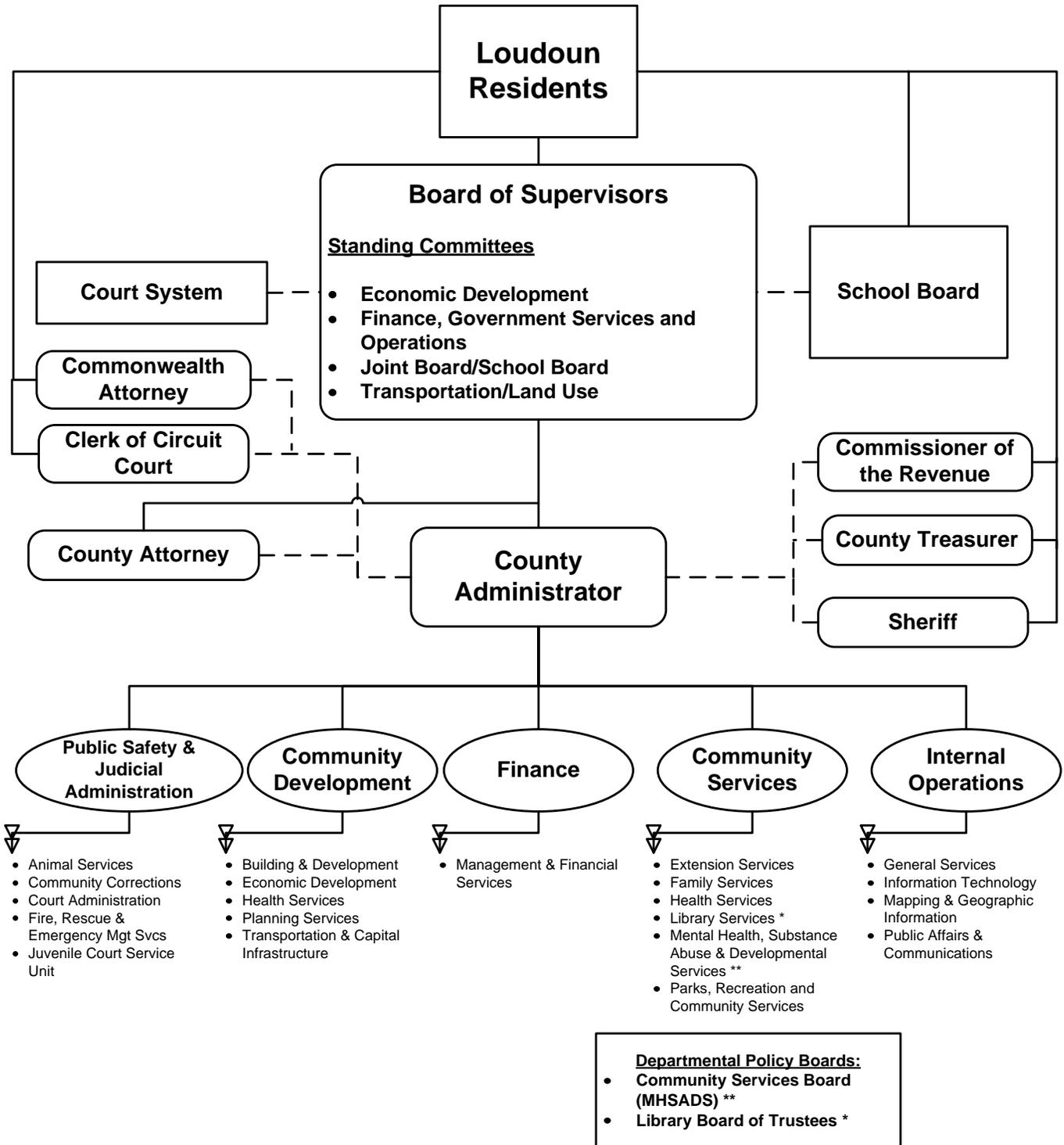
**County of Loudoun
Virginia**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

LOUDOUN COUNTY ORGANIZATIONAL CHART



COUNTY OF LOUDOUN, VIRGINIA
Directory of Officials
June 30, 2013

BOARD OF SUPERVISORS

Scott K. York, Chairman
Shawn Williams, Vice Chairman
Susan M. Volpe
Ralph M. Buona
Janet S. Clarke
Geary M. Higgins
Matthew F. Letourneau
Kenneth D. Reid
Eugene A. Delgaudio

At Large
Broad Run District
Algonkian District
Ashburn District
Blue Ridge District
Catoclin District
Dulles District
Leesburg District
Sterling District

SCHOOL BOARD

Eric Hornberger, Chairman
Jill Turgeon, Vice Chairman
Debbie Rose
Thomas E. Reed
Kevin Kuesters
Jennifer Bergel
Jeff Morse
Bill Fox
Brenda Sheridan

Ashburn District
Blue Ridge District
Algonkian District
At-Large Member
Broad Run District
Catoclin District
Dulles District
Leesburg District
Sterling District

CONSTITUTIONAL OFFICERS

Robert S. Wertz, Jr.
James E. Plowman
Gary M. Clemens
Michael L. Chapman
H. Roger Zurn, Jr.

Commissioner of Revenue
Commonwealth's Attorney
Clerk of Circuit Court
Sheriff
Treasurer

ADMINISTRATIVE OFFICERS - GENERAL GOVERNMENT

Tim Hemstreet
Linda A. Neri
John R. Roberts
Ben Mays

County Administrator
Deputy County Administrator
County Attorney
Director of Management and Financial Services

ADMINISTRATIVE OFFICERS - SCHOOL SYSTEM

Dr. Edgar B. Hatrick
Ned D. Waterhouse
Sharon D. Ackerman
Kimberly Hough
E. Leigh Burden
Mary V. Kealy
Kevin L. Lewis

Superintendent
Deputy Superintendent
Assistant Superintendent for Instruction
Assistant Superintendent for Personnel Services
Assistant Superintendent for Business & Financial Services
Assistant Superintendent for Pupil Services
Assistant Superintendent for Support Services

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 338,897 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.

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT



Report of Independent Auditor

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

Report on 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, 2013, 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 the *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Specification for Audits of Counties, Cities, and Towns* issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards 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, 2013, 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.

Other Matters

Emphasis of a Matter

As described in Note I (O) to the financial statements the County adopted the provisions of, Governmental Accounting Standards Board ("GASB") Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources* effective July 1, 2012. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule, and pension schedules as listing 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 GASB, 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.

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, combining and individual nonmajor fund financial statements, the general fund budget to actual schedule and nonmajor budgetary comparison schedules, the capital assets schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, the general fund budget to actual schedule and nonmajor budgetary comparison schedules, the capital assets schedules, are the responsibility of management and were derived from and relate 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 combining and individual nonmajor fund financial statements are 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 December 17, 2013 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 grants agreements, and other matters. The purpose of the 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
December 17, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

**COUNTY OF LOUDOUN, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2013**

The following discussion and analysis of the County of Loudoun's (the County) financial performance provides an overview of the County's financial activities for the fiscal year ended June 30, 2013. 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 2013

The assets of the total reporting entity, which includes the School Board component unit, exceeded liabilities by \$1.8 billion. Of this amount, \$213.8 million is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors. (Exhibit I).

On a government-wide basis, the County had expenses net of program revenues of \$985.5 million and general revenues of \$1.1 billion resulting in an increase in net position of \$73.6 million over FY 2013. (Exhibit II)

The General Fund, on a financial resource basis, reported revenues in excess of expenditures and other financing sources and uses of \$17.6 million. (Exhibit V)

As of June 30, 2013 the County's total governmental funds reported combined fund balances of \$641.1 million, an increase of \$39.7 million. Approximately 54.1% or \$346.5 million is unrestricted and available to meet the County's current and future needs. (Exhibit III)

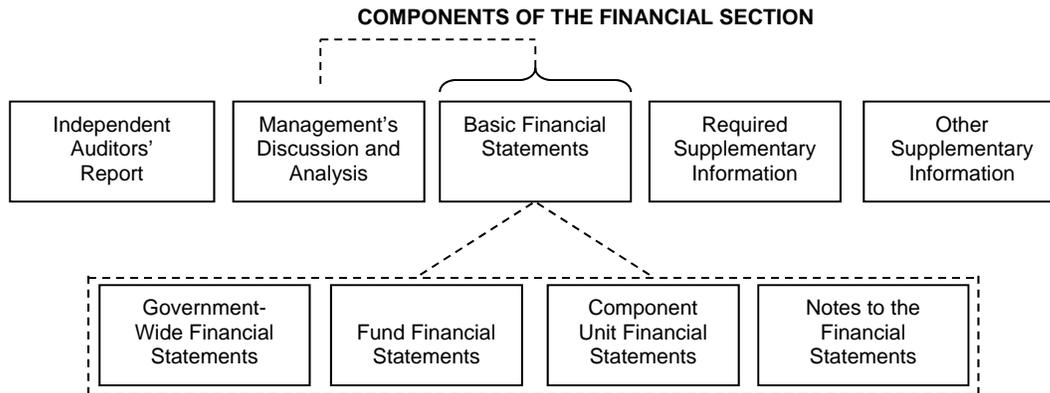
Total general fund revenues, excluding other financing sources and uses, exceeded final budget expectations by \$21.5 million. General fund expenditure savings totaled \$34.6 million compared to final budget expectations. (Schedule 1)

On July 26, 2012, the County sold \$64.5 million of General Obligation Bonds. The proceeds of these bonds will be used to finance school construction, the construction of a Fire and Rescue station and public safety equipment.

During 2013, the County defeased \$7.3 million of Lease Revenue Refunding Bonds and \$17.1 of General Obligation Bonds for a net present value savings of \$8.1 million.

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 – *independent auditors' report, 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 liabilities – as one way to measure the County's financial health, or financial position. Over time, increases or decreases in the County's Net Position are one indicator of whether its financial health is improving. However, other nonfinancial factors will need to be considered, such as changes in the County's property tax base, condition of the County's transportation network, and population demographics in order to assess the overall health of the County.

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

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

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

FUND FINANCIAL STATEMENTS

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

The County has three kinds of funds:

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

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

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

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

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

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Statement of Net Position:

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

**Table 1
Summary Statement of Net Position
Comparison as of June 30, 2013 and 2012 (thousands)**

	Primary Government			Component Unit-Schools		
	FY 13	FY 12	Increase/ (Decrease)	FY 13	FY 12	Increase/ (Decrease)
Current and Other Assets	\$ 1,150,483	\$ 1,110,575	\$ 39,908	\$ 181,003	\$ 151,326	\$ 29,677
Capital Assets	1,035,997	946,333	89,664	1,365,976	1,315,698	50,278
Total Assets	\$ 2,186,480	\$ 2,056,908	\$ 129,572	\$ 1,546,979	\$ 1,467,024	\$ 79,955
Other Liabilities	\$ 461,533	\$ 463,306	\$ (1,773)	\$ 80,875	\$ 75,528	\$ 5,347
Long Term Liabilities	1,202,326	1,144,548	57,778	176,656	151,457	25,199
Total Liabilities	\$ 1,663,859	\$ 1,607,854	\$ 56,005	\$ 257,531	\$ 226,985	\$ 30,546
Net Assets						
Net Investment in Capital Assets	\$ 756,587	\$ 653,910	\$ 102,677	\$ 1,345,039	\$ 1,296,827	\$ 48,212
Restricted	289,263	281,341	7,922	45,542	25,723	19,819
Unrestricted	(523,229)	(486,197)	(37,032)	(101,134)	(82,512)	(18,622)
Total Net Position	\$ 522,621	\$ 449,054	\$ 73,567	\$ 1,289,447	\$ 1,240,038	\$ 49,409

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 \$32.9 million. Contributing to the increase in cash is an increase in unspent funds in the General Fund of \$15.3 million, Debt Service Fund of \$32.3 million, Public Facilities Fund of \$29.0 million and Transportation District Fund of \$3.8 million offset by a reduction in cash and bond proceeds for ongoing capital projects of \$49.0 million. Net receivables increased by \$8.2 million, primarily due to taxes not yet due, offset by other modest increases and decreases in other accounts. The increase of \$89.7 million of net Capital Assets is due to the purchase of land, increases in the projects under construction, and additions to Infrastructure offset by depreciation. The increase in Long Term Liabilities is due primarily to new debt issued in 2013. Please refer to Note VIII and XIV of the notes to the financial statements for detailed information.

The increase in the component unit-schools' Current and Other Assets is due primarily to the combination of the increase in cash with fiscal agents of \$25.0 million resulting from unspent bond proceeds held for the completion of capital projects, and the increase of \$2.6 million in the receivable for due from other governments, an amount derived from pending reimbursements from the state and federal government. The increase in Other Liabilities is due primarily to increases in accrued liabilities offset by decreases in accounts payable with modest increases in other accounts. The increase in Long Term Liabilities is primarily due to the combination of the addition of \$17.9 million to the net obligation for other post employment benefits (OPEB) and increases in compensated absences, claims liabilities and capital leases. The increase in Capital Assets is due to increases in all types of capital assets. Please refer to Note VIII of the notes to the financial statements for detailed information.

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, 2013 and 2012 (thousands)**

	Primary Government			Component Unit-Schools		
	FY 13	FY 12	Increase/ (Decrease)	FY 13	FY 12	Increase/ (Decrease)
REVENUES						
Program Revenues:						
Charges for Services	\$ 68,106	\$ 63,327	\$ 4,779	\$ 18,642	\$ 19,600	\$ (958)
Operating Grants and Contributions	92,840	84,070	8,770	28,189	32,446	(4,257)
Capital Grants and Contributions	49,208	44,375	4,833	112,101	14,393	97,708
General Revenues:						
Property Taxes	853,974	826,556	27,418	0	0	0
Other Taxes	143,980	136,675	7,305	0	0	0
Grants and Contributions not Restricted to Specific Programs	57,030	54,192	2,838	247,395	216,087	31,308
Other	4,055	5,122	(1,067)	6,827	5,215	1,612
Payment from County	0	0	0	553,641	501,922	51,719
Total Revenues	\$1,269,193	\$1,214,317	\$ 54,876	\$ 966,795	\$ 789,663	\$ 177,132
EXPENSES						
General Government Administration	\$ 61,913	\$ 70,317	\$ (8,404)	\$ 0	\$ 0	\$ 0
Judicial Administration	13,584	13,915	(331)	0	0	0
Public Safety	157,521	154,480	3,041	0	0	0
Public Works	55,289	52,379	2,910	0	0	0
Health and Welfare	80,984	83,095	(2,111)	0	0	0
Parks, Recreation and Culture	49,452	48,707	745	0	0	0
Community Development	49,823	46,654	3,169	0	0	0
Education	666,323	516,791	149,532	917,386	842,414	74,972
Interest and Other Debt Service Charges	60,737	46,466	14,271			0
Total Expenses	\$1,195,626	\$1,032,804	\$ 162,822	\$ 917,386	\$ 842,414	\$ 74,972
Change in Net Position	\$ 73,567	\$ 181,513	\$ (107,946)	\$ 49,409	\$ (52,751)	\$ (22,279)
Net Position (Deficit) Beginning of Year	449,054	267,541	181,513	1,240,038	1,292,789	(30,472)
Net Position End of Year	\$ 522,621	\$ 449,054	\$ 73,567	\$ 1,289,447	\$ 1,240,038	\$ 49,409

Revenues

For the fiscal year ended June 30, 2013, primary government revenues totaled \$1.3 billion, an increase of \$54.9 million from the prior fiscal year.

Property tax revenue, the County's largest revenue source, increased by \$27.4 million from the prior fiscal year due to the increase in personal property taxes collected from higher vehicle values and higher computer tax billings. 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 higher business license taxes and an increase in recordation taxes. The increase of \$8.8 million in operating grants and contributions is primarily due to the donation of funds received from developers for various projects and funds received for housing assistance. The increase in capital grants and contributions is due to an increase in donated land by developers and storm water management offset by the FY 2012 donation of Gum Springs Library. Charges for services increased by \$4.8 million due to additional fees collected during the year for Public Safety, and Community Development.

Expenses

For the fiscal year ended June 30, 2013, expenses for governmental activities total \$1.2 billion.

Education continues to be one of the County's highest priorities and commitments. Of the total expenses, \$666.3 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 2013 increased by \$149.5 million from the previous fiscal year. This increase is comprised of an increase in the transfer to the Component Unit-Schools for operating expenses of \$28.9 million and a increase in contributions for capital projects. The decrease in general government is due the reduction in the estimate for loss contingencies. Public safety expenses are primarily attributed to staffing enhancements made as part of the FY 2013 budget for expanding facilities and to mitigate overtime. The increase in interest and debt service costs is primarily related to additional expenses of refunding debt. The remaining expense categories reflect modest increases or decreases.

Financial Analysis of the County's Funds

For the fiscal year ended June 30, 2013, the governmental funds reflect a combined fund balance of \$641.1 million as illustrated below (refer to Exhibit III).

	Fiscal Year 2013					
	General	Public Facilities	Capital Projects	Debt Service	Other Governmental	Total
Non-Spendable	\$ 2,702,989	\$ 0	\$ 201,709	\$ 0	\$ 2,374,529	\$ 5,279,227
Restricted	0	132,935,333	98,824,337	10,004,029	47,500,139	289,263,838
Committed	123,624,193	0	63,233,355	0	8,477,607	195,335,155
Assigned	42,016,085	0	867,355	51,406,494	6,251,293	100,541,227
Unassigned	51,307,907	0	0	0	(638,138)	50,669,769
Total Fund Balances	\$ 219,651,174	\$ 132,935,333	\$ 163,126,756	\$ 61,410,523	\$ 63,965,430	\$ 641,089,216

The General fund balance increased by 17,604,388 from the prior fiscal year. The fiscal year 2013 adopted fiscal plan included a net decrease of fund balance of \$27,003,338. Higher revenue collection in general property tax and other local taxes contributed to the addition to ending fund balance.

The Public Facilities fund balance increased by \$29,252,423 primarily due to an increase in the donation of land from developers.

The Capital Projects fund balance decreased by \$48,888,877 from the prior fiscal year. This decrease is attributable to the spending of resources for ongoing capital projects.

The Debt Service fund balance increased \$32,316,596 from the prior fiscal year. This increase is due the combination of savings realized with debt refunding and the return of unspent bond proceeds from the schools.

Other Governmental fund balances Increased by \$9,391,644 from the prior fiscal year. This increase is primarily due to the combination of (1) an increase in the Housing fund balance of \$7,514,055 to be used to provide affordable housing for county residents (2) an increase of \$4,391,273 in the Transportation District fund balance for future transportation projects, (3) an increase in the Comprehensive Services Act fund balance of \$1,245,326, and (4) a decrease of \$3,454,737 in the Capital Asset Preservation fund balance due to the completion of prior years' projects.

General Fund Budgetary Highlights

	Fiscal Year 2013		
	Original Budget	Amended Budget	Actual
Revenues and Transfers In:			
Taxes	\$ 944,104,400	\$ 946,103,580	\$ 966,750,191
Intergovernmental	86,490,967	90,168,606	88,448,182
Other	70,578,177	81,906,985	84,481,388
Total Revenues and Transfers In	\$ 1,101,173,544	\$ 1,118,179,171	\$ 1,139,679,761
Expenditures and Transfers Out:			
Expenditures	\$ 972,433,854	\$ 991,960,644	\$ 949,670,291
Transfers	164,559,869	172,412,404	172,405,082
Total Expenditures and Transfers Out	\$ 1,136,993,723	\$ 1,164,373,048	\$ 1,122,075,373
Changes in Fund Balance	\$ (35,820,179)	\$ (46,193,877)	\$ 17,604,388

The final amended budget for revenues and transfers in exceeded the original budget by \$17,008,627. This was primarily due to the transfer of \$10,000,000 from the self-insurance fund and the anticipation of additional grant funding from the state and federal government. The final amended budget appropriations, which include expenditures and transfers out, exceeded the original budget by \$27,379,325. This was due primarily to the reappropriation of 2012 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 \$21,500,590 and actual expenditures and transfers out were \$42,297,675 less than amended amounts. Highlights of the comparison of amended budget to actual figures for the fiscal year ended June 30, 2013, include the following:

- Actual tax revenues exceeded amended budget amounts by \$20,646,611 primarily due to personal property of \$17,234,462, local sales and use taxes of \$1,417,146, business license taxes of \$2,619,708 and recordation taxes of \$2,854,397 offset by a decrease in real and personal public service corporation property tax of \$4,187,158. All other local taxes such as consumer utility tax, motor vehicle licenses, 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 computers in data centers located in the county.
- Actual intergovernmental revenues were less than amended budget amounts by \$1,720,424 primarily due to lower state and federal reimbursements for transportation, and modest increases and decreases in grants.
- Actual other revenues were greater than the amended budget amounts by \$2,574,403 due to the combination of an increase in revenue for permits and licenses, and offset by minor increases and decreases in other revenue sources.
- Actual expenditures were \$42,290,553 less than amended budget amounts.
- Actual general government administration expenditures were \$13,413,510 less than budgeted amounts primarily due to the centrally budgeted countywide personnel vacancy savings and the annual adjustment of estimate for loss contingencies.
- Actual public safety expenditures were below budget by \$6,711,589. During FY 2013 the Board approved an additional mid-year appropriation to the Sheriff's office to allow for additional hiring to reduce overtime. A portion of this appropriation was not spent in FY 2013, and, along with reductions in other operations and maintenance budget lines in both the Sheriff and Fire, Rescue and Emergency Management contributed to the year-end budget balance.
- Expenditures in health and welfare were \$5,317,975 less than budget due to vacancy savings and reductions in professional services and major repairs and maintenance.
- Actual expenditures in all other functions of the general government were less than budgeted amounts due to cost savings and vacancy savings.

Capital Assets

At the end of fiscal year 2013, the County primary government had invested \$1,035,966,646 in a variety of capital assets as reflected in the following schedule, which represents a net increase of \$89,874,001. More detailed information on capital assets can be found in Note VIII of the notes to the financial statements.

**Table 3
Governmental Funds
Change in Capital Assets**

	Balance At June 30, 2012	Net Additions/Deletions	Balance At June 30, 2013
<u>Capital Assets:</u>			
Land	\$ 134,907,280	\$ 31,278,712	\$ 166,185,992
Buildings	372,825,905	13,563,144	386,389,049
Improvements Other Than Buildings	38,052,966	245,897	38,298,863
Equipment	159,402,817	5,522,001	164,924,818
Infrastructure	455,337,480	44,512,096	499,849,576
Construction in Progress	34,842,194	20,127,975	54,970,169
Accumulated Depreciation	(249,035,292)	(25,586,527)	(274,651,819)
Total Capital Assets, Net of Accumulated Depreciation	\$ 946,333,350	\$ 89,663,298	\$ 1,035,966,648

The Component Unit-Schools capital assets reflected in the following table totaled \$1,365,976,022; which represents a net increase of \$50,278,275.

Schools
Change in Capital Assets

	Balance At June 30, 2012	Net Additions/Deletions	Balance At June 30, 2013
<u>Capital Assets:</u>			
Land	\$ 133,122,811	\$ 2,010,678	\$ 135,133,489
Buildings	1,320,729,683	101,601,929	1,422,331,612
Improvements Other Than Buildings	1,199,947	0	1,199,947
Equipment	121,298,390	6,297,908	127,596,298
Construction in Progress	102,625,494	(24,969,066)	77,656,428
Infrastructure	1,121	0	1,121
Accumulated Depreciation	(363,279,699)	(34,663,174)	(397,942,873)
Total Capital Assets, Net of Accumulated Depreciation	\$ 1,315,697,747	\$ 50,278,275	\$ 1,365,976,022

During the fiscal year 2014 budget process, Loudoun County adopted an amended six-year Capital Improvement Program (CIP) that totaled \$1.7 billion. The fiscal years 2013-2018 plan includes three new elementary schools for \$96.2 million; two new and one expansion of middle schools for \$109.7 million; three new high schools for \$288.1 million; renovation of two existing high schools for \$34.0 million; design and construction of a new Technology Academy for \$109.0 million and upgrades to a high school stadium for \$2.6 million. Other capital projects include the Dulles Corridor Rapid Transit System for \$140.0 million, Metrorail Parking Garages for \$130.0 million, Route 606 Widening, Gloucester Parkway, Belmont Ridge Road and other road improvement and transportation projects for \$314.6 million; storm water management project for \$17.8 million; capital project management support for \$229.2 million; public safety capital improvements of \$208.7 million; health and welfare capital improvements of \$19.5 million; parks, recreation and cultural capital improvements of \$184.0 million and general government projects for \$64.9 million.

Long Term Debt

At the end of fiscal year 2013, the County had \$1,106,005,668 in outstanding general obligation bonds, premiums, loans, and capital leases. This represents a net decrease of \$44,595,305 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 2013, Moody's Investors Services, Inc. reaffirmed the County's bond rating of Aaa. On August 2, 2011 Moody's assigned a negative outlook on Loudoun County's Aaa rating due to its indirect linkages to the federal government and to the weakened credit of the United States. Moody's negative outlook was based on an evaluation of the entire Washington Metropolitan Statistical Area as a whole and was not county specific. On July 19, 2013 Moody's removed its negative outlook for Loudoun County. Both Fitch Credit Rating Services and Standard and Poor's (S&P) maintained the County's bond rating of AAA. These are the highest ratings available from each of these firms.

Economic Factors

Loudoun County's economic and demographic conditions in many ways reflect the prevailing conditions 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, Loudoun County's commercial environment has been able to withstand downturns in the national and international economies and the 2013 assessed value of commercial properties in the county experienced a 1.5% increase when compared to the prior year. The unemployment rate is consistently one of the lowest in the nation at 4.5%.

While Loudoun remains a beautiful community with a thriving rural economy, growth has brought a six-fold increase in population during the last forty years. During the past decade, Loudoun County experienced success in attracting office, flex-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.

In order to maintain the strength of our economy, the Loudoun County Department of Economic Development developed a strategy to focus direct marketing and assistance to industry clusters where the county has a competitive advantage. This advantage is demonstrated by Loudoun's current and growing business base including access to the right mix of brainpower, supportive institutions, suppliers, and business-related infrastructure. During FY 2013 Loudoun continued to show sustained growth in employment, wages paid by Loudoun businesses and speculative development bringing hundreds of thousands of square feet in retail, flex, industrial and mixed-use buildings under construction or in site planning.

The department's analysis has shown that Loudoun currently has high concentrations, compared to national levels, in several key industry clusters: information communications technology; federal government and defense contractors; and airport-related

businesses. The county also has two areas of emerging strength, with the potential for future expansion -- life sciences, and international companies, particularly European-based businesses and those in the industry clusters listed above.

Also reflecting the county's commitment to business is the development of thriving business partnerships including the Economic Development Commission, the Rural Economic Development Council, Small Business Development 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 fiscal year 2013, the county made changes to its retiree health care benefits to address rising costs of retiree health coverage and its impact on the county's OPEB obligation. The County implemented cost-sharing options that include a cap on the employer contribution to the retiree health premium and establishing retirement health savings accounts. The County's actuarial five year projection shows a significant reduction of the required annual contribution and the elimination of the County's OPEB liability.

Impact of New Accounting Pronouncement

The Governmental Accounting Standards Board adopted Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net position". This Statement improves financial reporting by providing citizens and other users with information on how past transactions will continue to impact a government's financial statements in the future. This Statement became effective for the fiscal year ended June 30, 2013. Implementation of this Statement had no financial impact on the County.

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 Ben Mays, Chief Financial Officer, 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.

BASIC FINANCIAL STATEMENTS



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COUNTY OF LOUDOUN, VIRGINIA
STATEMENT OF NET NET POSITION
AS OF JUNE 30, 2013

	<u>Primary Government Governmental Activities</u>	<u>Component Unit School Board</u>	<u>Total Reporting Entity</u>
ASSETS			
Cash and Cash Equivalents	\$ 562,046,717	\$ 99,435,313	\$ 661,482,030
Restricted Cash and Investments	115,969,187	\$ 59,318,554	175,287,741
Receivables, Net:			
Taxes:			
Delinquent	15,586,105	-	15,586,105
Not Yet Due	408,573,695	-	408,573,695
Accounts	1,553,501	439,494	1,992,995
Due from Other Governments	40,836,274	17,780,366	58,616,640
Advances to Employees	-	200	200
Inventory	267,934	1,429,028	1,696,962
Prepaid Items	2,733,232	2,600,253	5,333,485
Notes and Loans Receivable, Net	2,917,004	-	2,917,004
Capital Assets:			
Non-depreciable	278,803,972	212,789,917	491,593,889
Depreciable, Net	757,192,676	1,153,186,105	1,910,378,781
Capital Assets, Net	<u>1,035,996,648</u>	<u>1,365,976,022</u>	<u>2,401,972,670</u>
Total Assets	<u>2,186,480,297</u>	<u>1,546,979,230</u>	<u>3,733,459,527</u>
LIABILITIES			
Accounts Payable	2,444,420	2,811,037	5,255,457
Accrued Interest Payable	10,087,766	252,909	10,340,675
Accrued Liabilities	24,864,979	75,184,431	100,049,410
Unearned Revenue:			
Property Taxes Not Yet Due	408,573,695	-	408,573,695
Property Taxes	11,158,745	-	11,158,745
Other	4,080,689	2,554,112	6,634,801
Other Liabilities	322,745	72,912	395,657
Long-term Liabilities:			
Due Within One Year:			
Compensated Absences	1,076,029	2,363,515	3,439,544
Claims Liabilities	5,952,645	11,120,517	17,073,162
Bonds Payable	97,253,305	-	97,253,305
Leases Payable	10,505,000	7,799,567	18,304,567
Due in More Than One Year:			
Compensated Absences	23,947,911	18,566,257	42,514,168
Claims Liabilities	3,014,934	2,133,562	5,148,496
Landfill Closure and Postclosure Care Costs	23,058,585	-	23,058,585
Net OPEB Obligation	27,660,531	121,535,936	149,196,467
Bonds Payable	895,461,641	-	895,461,641
Leases Payable	114,395,000	13,137,020	127,532,020
Total Liabilities	<u>1,663,858,620</u>	<u>257,531,775</u>	<u>1,921,390,395</u>
NET POSITION			
Net Investment in Capital Assets	756,586,759	1,345,039,435	1,263,421,137 A
Restricted for:			
Debt Service	10,004,029	-	10,004,029
Capital Projects	99,753,881	45,509,471	145,263,352
Permanent Fund-Nonexpendable	-	32,906	32,906
Public Facilities and Services	132,935,333	-	132,935,333
Affordable Housing	20,856,720	-	20,856,720
Transportation	19,656,829	-	19,656,829
Library Services	4,410,459	-	4,410,459
Other Purposes	1,646,587	-	1,646,587
Unrestricted	<u>(523,228,920)</u>	<u>(101,134,357)</u>	<u>213,841,780 A</u>
Total Net Position	<u>\$ 522,621,677</u>	<u>\$ 1,289,447,455</u>	<u>\$ 1,812,069,132</u>

A The sum of the columns does not equal the Total Reporting Entity column by a difference of \$838,205,057 because the debt related to the School Board Component Unit is reflected in the primary government's governmental activities column reducing unrestricted net assets. 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, 2013**

Functions/Programs Activities	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total Reporting Entity
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Unit School Board	
Primary Government:							
General Government Administration	\$ 61,912,835	\$ 1,330,300	\$ 809,008	\$ 91,206	\$ (59,682,321)		\$ (59,682,321)
Judicial Administration	13,583,932	1,879,288	1,877,627	-	(9,827,017)		(9,827,017)
Public Safety	157,521,067	15,841,619	16,616,707	216,654	(124,846,087)		(124,846,087)
Public Works	55,288,784	2,517,428	10,940,242	44,524,622	2,693,508		2,693,508
Health and Welfare	80,983,615	8,130,889	31,713,201	-	(41,139,525)		(41,139,525)
Parks, Recreation and Culture	49,451,751	16,677,711	3,489,021	3,088,387	(26,196,632)		(26,196,632)
Community Development	49,822,990	21,724,548	27,849,822	1,287,214	1,038,594		1,038,594
Education	666,322,749	4,660	(455,662)	-	(666,773,751)		(666,773,751)
Interest and Other Debt Service Charges	60,737,458	-	-	-	(60,737,458)		(60,737,458)
Total Primary Government	\$ 1,195,625,181	\$ 68,106,443	\$ 92,839,966	\$ 49,208,083	\$ (985,470,689)		\$ (985,470,689)
Component Unit:							
School Board	\$ 917,385,744	\$ 18,642,440	\$ 28,188,749	\$ 112,100,829		\$ (758,453,726)	\$ (758,453,726)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes					853,973,763	-	853,973,763
Local Sales and Use Taxes					69,555,652	-	69,555,652
Consumer Utility Taxes					21,504,030	-	21,504,030
Business License Taxes					28,400,538	-	28,400,538
Franchise License Taxes					679,828	-	679,828
Motor Vehicle Licenses					6,061,581	-	6,061,581
Bank Franchise Taxes					1,295,921	-	1,295,921
Taxes on Recordation and Wills					11,535,308	-	11,535,308
Hotel and Motel Room Taxes					4,947,024	-	4,947,024
Payment from County					-	553,640,610	553,640,610
Interest and Investment Earnings					1,806,389	-	1,806,389
Grants and Contributions Not Restricted to Specific Programs					57,029,501	247,395,144	304,424,645
Revenue from Use of Money and Property					-	2,166,749	2,166,749
Miscellaneous					2,248,557	4,660,206	6,908,763
Total General Revenues					1,059,038,092	807,862,709	1,866,900,801
Change in Net Position					73,567,403	49,408,983	122,976,386
Net Position at Beginning of Year					449,054,274	1,240,038,472	1,689,092,746
Net Position at End of Year					\$ 522,621,677	\$ 1,289,447,455	\$ 1,812,069,132

See accompanying notes to the financial statements.

**COUNTY OF LOUDOUN, VIRGINIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013**

	<u>General</u>	<u>Public Facilities</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and Cash Equivalents	\$ 198,211,243	\$ 132,935,333	\$ 94,873,721	\$ 42,683,160	\$ 43,557,859	\$ 512,261,316
Restricted Cash and Investments	437,402	-	75,449,576	18,738,302	20,174,907	114,800,187
Receivables, Net:						
Taxes:						
Delinquent	14,460,702	-	-	-	1,125,403	15,586,105
Not Yet Due	408,573,695	-	-	-	-	408,573,695
Accounts	1,210,511	-	193,145	-	54,503	1,458,159
Due from Other Governments	36,685,097	-	450,159	-	3,701,018	40,836,274
Due from Other Funds	39,930	-	-	-	-	39,930
Inventory	-	-	-	-	157,456	157,456
Prepaid Items	1,093,133	-	201,709	-	909,925	2,204,767
Notes and Loans Receivable, Net	1,609,856	-	-	-	1,307,148	2,917,004
Total Assets	<u>\$ 662,321,569</u>	<u>\$ 132,935,333</u>	<u>\$ 171,168,310</u>	<u>\$ 61,421,462</u>	<u>\$ 70,988,219</u>	<u>\$ 1,098,834,893</u>
LIABILITIES						
Liabilities:						
Accounts Payable	\$ 7,923	\$ -	\$ 2,401,003	\$ 2,150	\$ 33,344	\$ 2,444,420
Accrued Liabilities	13,517,071	-	5,640,551	-	4,105,742	23,263,364
Prepaid Revenue	11,027,766	-	-	-	130,979	11,158,745
Unearned Revenue:						
Property Taxes Not Yet Due	408,573,695	-	-	-	-	408,573,695
Property Taxes	7,117,201	-	-	-	125,932	7,243,133
Other	2,362,699	-	-	-	2,336,946	4,699,645
Due to Other Funds	-	-	-	-	39,930	39,930
Other Liabilities	64,040	-	-	8,789	249,916	322,745
Total Liabilities	<u>442,670,395</u>	<u>-</u>	<u>8,041,554</u>	<u>10,939</u>	<u>7,022,789</u>	<u>457,745,677</u>
FUND BALANCES (Deficits):						
Non-spendable	2,702,989	-	201,709	-	2,374,529	5,279,227
Restricted	-	132,935,333	98,824,337	10,004,029	47,500,139	289,263,838
Committed	123,624,193	-	63,233,355	-	8,477,607	195,335,155
Assigned	42,016,085	-	867,355	51,406,494	6,251,293	100,541,227
Unassigned	51,307,907	-	-	-	(638,138)	50,669,769
Total Fund Balances (deficits)	<u>219,651,174</u>	<u>132,935,333</u>	<u>163,126,756</u>	<u>61,410,523</u>	<u>63,965,430</u>	<u>641,089,216</u>
Total liabilities and fund balances (deficits)	<u>\$ 662,321,569</u>	<u>\$ 132,935,333</u>	<u>\$ 171,168,310</u>	<u>\$ 61,421,462</u>	<u>\$ 70,988,219</u>	<u>\$ 1,098,834,893</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, 2013**

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

Total Fund balances - governmental funds		\$ 641,089,216
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Governmental capital assets	1,249,412,856	
Less accumulated depreciation	<u>(241,128,245)</u>	1,008,284,611
Delinquent taxes and other long-term assets not available to pay for current period expenditures are deferred in the governmental funds.		7,862,089
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	(25,023,940)	
Landfill closure and postclosure care costs	(23,058,585)	
Net OPEB Obligation	(27,660,531)	
Governmental bonds payable	(919,900,000)	
Governmental leases payable	(124,900,000)	
Unamortized bond premium	(61,205,668)	
Unamortized deferred amount on refunding	<u>(11,609,278)</u>	(1,193,358,002)
Interest on long-term liabilities is not accrued in the governmental funds, but is rather recognized as an expenditure when due.		(10,087,766)
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 Assets.		68,831,529
Net Position of Governmental Activities		<u>\$ 522,621,677</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, 2013

	General	Public Facilities	Capital Projects	Debt Service	Other Governmental Funds	Total Governmental Funds
REVENUES						
General Property Taxes	\$ 838,029,908	\$ -	\$ -	\$ -	\$ 14,804,934	\$ 852,834,842
Other Local Taxes	128,720,283	-	679,828	-	14,579,771	143,979,882
Permits and Licenses	22,613,721	-	-	-	825	22,614,546
Fines and Forfeitures	2,746,066	-	-	-	-	2,746,066
Use of Money and Property	3,005,292	187,292	2,007	365,310	211,032	3,770,933
Charges for Services	29,039,173	-	2,999,266	-	51,058	32,089,497
Gifts and Donations	258,790	39,049,834	262,519	-	7,600,006	47,171,149
Miscellaneous	485,704	-	354,795	1,487,180	21,490	2,349,169
Recovered Costs	7,299,736	-	100,000	-	1,191,442	8,591,178
Intergovernmental - Commonwealth	82,910,523	-	1,098,516	-	3,840,551	87,849,590
Intergovernmental - Federal	5,537,659	-	75,675	-	10,748,317	16,361,651
Payment from Component Unit	-	-	-	28,174,303	-	28,174,303
Total Revenues	<u>1,120,646,855</u>	<u>39,237,126</u>	<u>5,572,606</u>	<u>30,026,793</u>	<u>53,049,426</u>	<u>1,248,532,806</u>
EXPENDITURES						
Current Operating:						
General Government Administration	59,857,783	-	-	-	-	59,857,783
Judicial Administration	12,414,690	-	-	-	220,077	12,634,767
Public Safety	149,027,173	796,027	-	-	1,538,428	151,361,628
Public Works	14,713,141	591,254	18,849,480	-	14,095,915	48,249,790
Health and Welfare	63,022,419	-	-	-	16,518,837	79,541,256
Parks, Recreation and Culture	45,192,868	-	-	-	158,994	45,351,862
Community Development	38,478,928	76,251	-	-	10,405,129	48,960,308
Education	566,963,289	-	-	14,168,189	113,365,574	694,497,052
Capital Outlay	-	-	62,588,995	-	2,187,392	64,776,387
Debt Service:						
Principal Payments	-	-	-	91,803,777	-	91,803,777
Interest and Service Charges	-	-	-	52,923,102	-	52,923,102
Total Expenditures	<u>949,670,291</u>	<u>1,463,532</u>	<u>81,438,475</u>	<u>158,895,068</u>	<u>158,490,346</u>	<u>1,349,957,712</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>170,976,564</u>	<u>37,773,594</u>	<u>(75,865,869)</u>	<u>(128,868,275)</u>	<u>(105,440,920)</u>	<u>(101,424,906)</u>
OTHER FINANCING SOURCES (USES)						
Transfers In	19,032,906	-	40,222,486	144,279,102	8,766,925	212,301,419
Transfers Out	(172,405,082)	(8,521,171)	(13,245,494)	(1,083,113)	(13,924,361)	(209,179,221)
Issuance Premium	-	-	-	17,227,036	-	17,227,036
Issuance of Bonds and Leases	-	-	-	-	119,990,000	119,990,000
Premium on Refunded Bonds	-	-	-	11,671,077	-	11,671,077
Issuance of Refunding Bonds	-	-	-	127,155,000	-	127,155,000
Payments to Refunded Bonds	-	-	-	(138,064,231)	-	(138,064,231)
Total Other Financing Sources (Uses)	<u>(153,372,176)</u>	<u>(8,521,171)</u>	<u>26,976,992</u>	<u>161,184,871</u>	<u>114,832,564</u>	<u>141,101,080</u>
Net Change in Fund Balances	17,604,388	29,252,423	(48,888,877)	32,316,596	9,391,644	39,676,174
Fund Balances at Beginning of Year	202,046,786	103,682,910	212,015,633	29,093,927	54,573,786	601,413,042
Fund Balances at End of Year	<u>\$ 219,651,174</u>	<u>\$ 132,935,333</u>	<u>\$ 163,126,756</u>	<u>\$ 61,410,523</u>	<u>\$ 63,965,430</u>	<u>\$ 641,089,216</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, 2013

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

Net change in fund balances - total governmental funds		\$ 39,676,174
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	66,460,172	
Less current year depreciation	<u>(24,088,427)</u>	42,371,745
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 assets differs from the change in fund balance by the cost of the capital asset.		
		(16,344)
Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.		
		47,695,160
Donations of capital assets from Component Unit increases net assets in the statement of activities, but do not appear in the governmental funds because they are not financial uses.		
		-
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Change in unearned revenue related to taxes		1,138,921
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. 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	91,803,777	
Net debt proceeds and issuance premium	(159,128,108)	
Current year amortization of bond premium	11,034,031	
Current year amortization of deferred amount of refunding	<u>85,717</u>	(56,204,583)
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	(1,111,381)	
Change in landfill closure/post-closure liability	593,797	
Change in Net OPEB Obligation	(67,347)	
Change in accrued interest liability	<u>2,215,122</u>	1,630,191
Internal service funds are used by management to charge the costs of certain services to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.		
		(2,723,861)
Change in Net Position of Governmental Activities		<u>\$ 73,567,403</u>

See accompanying notes to the financial statements.

**COUNTY OF LOUDOUN, VIRGINIA
STATEMENT OF NET POSITION
PROPRIETARY - INTERNAL SERVICE FUNDS
AS OF JUNE 30, 2013**

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 49,785,401
Restricted Cash and Investments	1,169,000
Receivables, Net	95,342
Inventory	110,478
Prepaid Items	528,465
Total Current Assets	<u>51,688,686</u>

Noncurrent Assets:

Capital Assets:

Non-depreciable	1,172,517
Depreciable, Net	26,539,520
Total Noncurrent Assets	<u>27,712,037</u>
Total Assets	<u>79,400,723</u>

LIABILITIES

Current Liabilities:

Claims Liabilities	5,952,645
Accrued Liabilities	1,601,615
Total Current Liabilities	<u>7,554,260</u>

Noncurrent Liabilities:

Claims Liabilities	3,014,934
Total Noncurrent Liabilities	<u>3,014,934</u>
Total Liabilities	<u>10,569,194</u>

NET POSITION

Net Investment in Capital Assets	27,712,037
Unrestricted	41,119,492
Total Net Position	<u>\$ 68,831,529</u>

COUNTY OF LOUDOUN, VIRGINIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY - INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

Operating Revenues:	
Charges for Services	\$ 52,352,468
Use of Property	79,181
Miscellaneous	207,837
Total Operating Revenues	<u>52,639,486</u>
Operating Expenses:	
Personnel Services	1,069,622
Other Services and Charges	7,204,105
Materials and Supplies	660,839
Depreciation	5,143,332
Claims	38,608,895
Total Operating Expenses	<u>52,686,793</u>
Operating Loss	(47,307)
Non-Operating Revenues:	
Gain on Sale of Capital Assets	<u>445,644</u>
Net Income Before Operating Transfers	398,337
Transfers In	6,909,814
Transfers Out	<u>(10,032,012)</u>
Change in Net Position	(2,723,861)
Net Position at Beginning of Year	71,555,390
Net Position at End of Year	<u><u>\$ 68,831,529</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, 2013**

Cash Flows from Operating Activities	
Receipts from Customers	\$ 52,618,354
Payments to Suppliers for Goods and Services	(8,648,119)
Claims Paid	(37,620,852)
Payments to Employees	(1,374,290)
Net Cash Provided by Operating Activities	<u>4,975,093</u>
Cash Flows from Non-capital Financing Activities:	
Transfers In	6,909,814
Transfers Out	(10,032,012)
Net Cash Used in Non-capital Financing Activities	<u>(3,122,198)</u>
Cash Flows from Capital and Related Financing Activities:	
Additions to Capital Assets	(4,768,266)
Proceeds from Sale of Capital Assets	457,841
Net Cash Used in Capital and Related Financing Activities	<u>(4,310,425)</u>
Net Increase in Cash and Cash Equivalents	(2,457,530)
Cash and Cash Equivalents (including those held with Fiscal Agents) at Beginning of Year	53,411,931
Cash and Cash Equivalents (including those held with Fiscal Agents) at End of Year	<u>\$ 50,954,401</u>
 Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:	
Operating Loss	<u>\$ (47,307)</u>
Adjustment Not Affecting Cash:	
Depreciation	5,143,332
(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:	
Receivables, Net	(21,132)
Inventory	(23,427)
Prepaid Items	(433,276)
Accounts Payable	(326,472)
Claims Liabilities	988,043
Accrued Liabilities	(304,668)
Total Adjustments	<u>5,022,400</u>
Net Cash Provided by Operating Activities	<u>\$ 4,975,093</u>
Non-Cash Capital Related Financing Activities:	
Gain on Sale of Capital Assets	445,644

See accompanying notes to the financial statements.

**COUNTY OF LOUDOUN, VIRGINIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AS OF JUNE 30, 2013**

	<u>Pension Trust Funds</u>	<u>Private Purpose Trust Funds</u>	<u>Agency Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ -	\$ 8,111	\$ 17,437,968
Cash with Fiscal Agents	-	-	60,000
Accounts Receivable	1,875,000	-	-
Other Assets, Net	-	-	-
Investments, at Fair Value:			
Investments in Pooled Funds	44,424,212	-	-
Total Assets	<u>46,299,212</u>	<u>8,111</u>	<u>17,497,968</u>
LIABILITIES			
Accounts Payable and Funds Held in Trust for Others	168,534	-	17,497,968
Total Liabilities	<u>168,534</u>	<u>-</u>	<u>\$ 17,497,968</u>
NET POSITION			
Held in Trust for Pension Benefits and Other Purposes	<u>\$ 46,130,678</u>	<u>\$ 8,111</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, 2013

	Pension Trust Fund	Private Purpose Trust Funds
ADDITIONS		
Contributions:		
Employer	\$ 10,968,733	\$ -
Gifts and Donations	-	5,000
Total Contributions	10,968,733	5,000
Investment Earnings:		
Net Appreciation in Fair Value of Investments	1,052,091	-
Interest	1,257,776	13
Total Investment Earnings	2,309,867	13
Less Investment Expense:		
Investment Management Fees	(17,566)	-
Net Investment Income	2,292,301	13
Total Additions	13,261,034	5,013
DEDUCTIONS		
Benefits	1,486,448	5,169
Administrative Expense	1,399,401	-
Total Deductions	2,885,849	5,169
Change in Net Position	10,375,185	(156)
Net Position at Beginning of Year	35,755,493	8,267
Net Position at End of Year	\$ 46,130,678	\$ 8,111

See accompanying notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

COUNTY OF LOUDOUN, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2013

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 School Board, described below, is the only component unit of the County.

The Loudoun County 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 2011 and assumed their responsibilities on January 1, 2012. 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.loudoun.k12.va.us/page/1079>.

(B) **BASIS OF PRESENTATION**

The financial statements of the County report activities of the primary government and its component unit, the Loudoun County 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 and long-term liabilities (such as buildings and general obligation debt). 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 its 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 are 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.
- Public Facilities Fund – 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.
- 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 “Other Governmental Funds” and consist of special revenue funds, a capital asset replacement fund, and permanent funds.

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 Services Fund 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. The operations of these funds are generally intended to be self-supporting.

Additionally, the government reports the following Fiduciary funds:

- Pension Trust Fund – The Volunteer Fire and Rescue trust fund is used to account for the activities of the Public Safety Retirement System, which accumulates resources for pension benefit payments to qualified public safety personnel. The OPEB trust fund is used to account for the assets held in trust by the county for other post-employment benefits.
- Private-Purpose Trust Funds - 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 Senior Center Trust Fund is used to account for monies provided by private donors and other miscellaneous sources, restricted to use for the senior center. 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.
- 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, which includes the Primary Government, Component Unit, and 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. Accordingly, real and personal property taxes are recorded as unearned revenues and property taxes receivable when billed, net of allowances for uncollectible amounts of \$3,035,387 as of June 30, 2013. 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 deferred 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.

The property tax calendar is as follows:

	<u>Real Property</u>	<u>Personal Property</u>
Lien Date	Jan 5 / Jul 5	Jun 5 / Nov 5
Assessment Date	Jan 1	Jan 1
Levy Date	Apr 1	Mar 1
Due Date and Collection Date	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.

County investments, Pension Fund investments, and OPEB Trust Fund investment are stated at fair value.

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. It is managed in accordance with the "2a-7 like pool" risk limiting requirements of GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools". The portfolio securities are valued by the amortized cost method with maturities of thirteen months or less. The fair value of the County's position in the LGIP is the same as the value of the pool shares. All other investments are stated at fair value.

For the Capital Projects and Debt Service Funds, interest income on cash held with fiscal agents and trustees is recorded within these respective funds.

The County records short-term investments at cost, which approximates 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 Local Government Investment Pool (LGIP).

Bond proceeds are deposited in the Virginia State Non-Arbitrage Program (SNAP). Values of shares in SNAP reflect fair value.

(E) DUE TO/DUE FROM OTHER FUNDS

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".

(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, 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 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 one year. Such assets are recorded at cost if purchased or constructed. Donated capital assets are recorded at estimated fair market 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.

Property, plant, and equipment 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
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. Annual leave hours accrued in excess of 364 hours by each employee during each year are calculated at the end of the leave year, with the Primary Government converting those excess hours into additional sick leave hours. As of June 30, 2013, \$19,407,424 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, 2013, \$161,204 of unused exchange time was accrued as compensated absences.

Effective July 1, 2001, employees with 10 years of service are compensated for unused sick leave when they leave County employment. Employees meeting this criteria will be compensated for 25% of unused sick leave to a maximum amount of \$10,000 per individual. As of June 30, 2013, \$5,455,312 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, 2013, \$11,481,572 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 \$14,809 per individual. As of June 30, 2013, \$9,448,200 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 financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflow of resources*, 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.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, 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.

(M) FUND BALANCE FLOW ASSUMPTIONS

The Board of Supervisors adopted Fiscal Policy establishes the spending order of fund balance when both restricted and unrestricted fund balance are available. For the General Fund and Special Revenue Funds, 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. For Capital Funds and Debt Service Funds, when an expenditure is incurred, assigned fund balance is to be spent first, then committed fund balance, and lastly restricted 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 or adoption of an ordinance 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 represents tentative management plans that are subject to change. The Board of Supervisors has authorized the County Administrator or his/her designee to assign fund balance through the adoption of the Fiscal Policy. Unassigned fund balance represents the residual fund balance remaining after nonspendable, restricted, committed, and assigned fund balance is deducted.

(O) ACCOUNTING PRONOUNCEMENTS

In June, 2011 GASB issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. This statement addresses how to account for and report service concession arrangements (SCAs), a type of public-private or public-public partnership that state and local governments are increasingly entering into. This statement is effective for periods beginning after December 15, 2011. The County has implemented this statement in fiscal year 2013.

In November, 2010 GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus – an Amendment of GASB Statements No. 14 and No. 34*. The objective of this statement is to improve financial reporting for governmental entities by amending the requirements of Statement No. 14, *The Financial Reporting Entity*, and No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, to better meet user needs and address reporting entity issues since those statements were issued in 1991 and 1999, respectively. This statement is effective for periods beginning after June 15, 2012. The County has implemented this statement in fiscal year 2013.

In December, 2010 GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This statement is intended to enhance the usefulness of its Codification by incorporating guidance that previously could only be found in certain Financial Accounting Standards Board (FASB) and American Institute of Certified Public Accountants (AICPA) pronouncements. This statement is effective for periods beginning after December 15, 2011. The County has implemented this statement in fiscal year 2013.

In June 2011 GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The objective of this statement is to improve financial reporting by providing citizens and other users of state and local government financial reports with information about how past transactions will continue to impact a government's financial statements in the future. This statement is effective for periods beginning after December 15, 2011. The County has implemented this statement in fiscal year 2013

In March 2012, GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement is effective for periods beginning after December 15, 2012. The County will be implementing this statement in fiscal year, 2014.

In March 2012, GASB issued Statement No. 66, *Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62*. The objective of this statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This statement is effective for periods beginning after December 15, 2012. The County will be implementing this statement in fiscal year 2014.

In June 2012, GASB issued Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*. The objective of this Statement is to improve financial reporting by state and local government pension plans. This Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 25 and 50 remain applicable to pension plans that are not administered through trusts covered by the scope of the Statement and to defined contribution plans that provide postemployment benefits other than pensions. This Statement is effective for periods beginning after June 15, 2013. The County will be implementing this statement in fiscal year 2014.

In June 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. The objective of this statement is to improve accounting and financial reporting by state and local governments for pensions. This Statement is effective for periods beginning after June 15, 2014. The County will be implementing this statement in fiscal year 2015.

In January, 2013, GASB issued Statement No. 69, *Governmental Combinations and Disposals of Government Operations*. This Statement establishes accounting and financial reporting standards, related to government combinations and disposals of government operations including a variety of transactions such as mergers, acquisitions, and transfers of operations. This Statement is effective for periods beginning after December 15, 2013. The County will be implementing this statement in fiscal year 2015.

In April 2013, GASB issued Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The objective of this Statement is to enhance the comparability and disclosure of financial statements among governments by requiring consistent reporting by governments that extend nonexchange financial guarantees and by those governments that receive nonexchange financial guarantees. This Statement is effective for periods beginning after June 15, 2013. The County will be implementing this statement in fiscal year 2014.

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, Aldie Sewer Service District, Comprehensive Services Act, Legal Resources Center, Hotel and Motel Room Tax, Hamilton Sewer Service District, Rental Assistance Program, Dulles Industrial Park Water and Sewer, Greenlea District, Public Facilities, and Transportation District. 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.

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, 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), mutual funds, and the State Treasurer's Local Government Investment Pool (the Virginia LGIP).

The Policy is written encompassing 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
State of Virginia LGIP	75% of Portfolio	
U.S. Treasury Obligations	100% of Portfolio	
U.S. Government Agencies	50% of Portfolio	
Repurchase Agreements	60% of Portfolio	Maximum of 60% of total portfolio with one institution.
Bankers' Acceptances (BA's)	40% of Portfolio	Thomson Reuters Bank Insight/Highline rating of 30 or better or one of the following: Fitch Individual Bank Rating of B or better, S& P Short Term Local Issuer A-1 or better, or Moody's Short Term P-1 or better
Commercial Paper (CP)	35% of Portfolio, maximum 5% any one issuer within total portfolio at time of purchase	Rating of A-1, P-1, or better.
Certificates of Deposit - Commercial Banks	90% of Portfolio	Thomson Reuters Bank Insight/Highline rating of 30 or better or one of the following: Fitch Individual Bank Rating of B or better, S& P Short Term Local Issuer A-1 or better, or Moody's Short Term P-1 or better. All banks must comply with the Virginia Public Deposit Act. Maximum 50% of the total portfolio in any one institution
Certificates of Deposit - Savings and Loans Associations	10% of Portfolio	No more than \$100,000 in any one institution.
Money Market funds (Open Ended Investments funds)	50% of Portfolio	

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 Fund portfolio can invest up to 15% of the portfolio out to a maximum of 24 months, with the remaining 85% of the portfolio invested out to a maximum of 13 months. Based on market conditions and expected cash flow, an additional 10% of the portfolio may be invested with a maximum of 5 years (60 months). The Proffer fund can invest up to 20% of the portfolio in assets maturing out to a maximum of 24 months, with the remaining 80% of the Proffer portfolio having maturities within 13 months. Based on market conditions and expected cash flow, an additional 10% of the portfolio may be invested with a maximum maturity of 5 years (60 months).

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 made with any banks, including certificates of deposit or bankers' acceptances, should be rated 30 or higher on Thomson Reuters Bank Insight/Highline and be a qualified Virginia depository for certificates of deposit. If a Thomson Reuters Bank Insight/Highline 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, 2013, the Portfolio was invested as follows:

- 6.54% of the portfolio was invested in "Aaa" or better rated obligations
- 14.91% was invested in "A-1", "P-1", or better short term commercial paper/bankers' acceptances
- 48.24% was invested in "AAAm" rated state run pooled money market fund
- 30.31% was invested in fully collateralized bank certificates of deposit and 100% FDIC insured bank 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, 2013, the portion of the County's portfolio, excluding the Virginia LGIP and U.S. Government guaranteed obligations, that exceed 5% of the total portfolio are as follows:

<u>Issuer</u>	<u>% of Portfolio</u>
Capital One Bank (fully collateralized money market funds and business checking account paper).	7.02%

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 that all securities will not 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 thru maturity.

The County may also purchase callable securities, with limited or extended lock-in provisions ensuring yield for specific time frames as specified in the securities 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.

Fund	Maturity Date	Issue	Fair Value	Par/Cost	Yield	Step Features
General Fund	12/26/2014	FHLB	5,000,060	5,000,000	0.25	2yr, non call 3 months, continuous calls thereafter, fixed rate, called 09/26/13
	1/11/2018	FHLB	3,915,264	4,000,000	1	5yr, non call 6 months, qtrly thereafter
	9/19/2018	FHLB	4,922,445	5,000,000	0.875	5 yr step increase, non call 3 months, qtrly thereafter
	6/27/2018	FHLB	4,912,865	5,000,000	1.125	5 yr step increase, non call 3 months, qtrly thereafter
	8/16/2017	FNMA	4,936,560	5,000,000	0.75	5yr step increase non call 1yr, qtrly thereafter
	12/26/2017	FNMA	3,945,816	4,000,000	0.625	5 yr step increase non call 1 year, annually thereafter
	2/28/2018	FNMA	4,921,185	5,000,000	0.8	5 yr step increase, non call 1 year, qtrly calls for 2.5 yrs, non call thereafter
Proffer Fund	6/19/2018	FHLB	4,922,445	5,000,000	0.875	5 yr step increase, non call 3 months, qtrly thereafter
	9/25/2017	FNMA	3,957,592	4,000,000	0.5	5 yr step increase, non call 1 year, qtrly calls for 2 years, non call thereafter

On June 30, 2013, the County had the following investments and maturities (refer to Cash and Cash Equivalents in Exhibit I, Exhibit X, and Schedule 39):

Investment Type	Carrying Value	Maturity			
		Less Than 6 Months	Between 6 - 13 Months	Between 13 - 24 Months	Between 24 - 60 Months
Bank Deposits	\$ (7,277,854)	\$ (7,277,854)	\$ -	\$ -	\$ -
Money Market Funds (LGIP)	435,444,791	435,444,791	-	-	-
Certificates of Deposit - Commercial Banks	115,681,541	66,578,782	33,960,688	5,775,000	9,368,071
U.S. Government Agencies	41,996,250	-	-	4,996,250	37,000,000
Bankers Acceptances (BA's)	-	-	-	-	-
Commercial Paper (CP's)	99,829,065	39,927,334	59,901,731	-	-
Municipal Bonds	1,787,488	1,187,488	600,000	-	-
Total Deposits and Investments	\$ 687,461,281	\$ 535,860,541	\$ 94,462,419	\$ 10,771,250	\$ 46,368,071

The School Activity Funds' cash of \$6,090,657 and Employee Benefits Distribution Fund cash of \$60,000 is not under the control of the County Treasurer's Office; is not pooled with the Reporting Entity cash and investments, and therefore, it 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, 2013, 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 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. It is managed in accordance with the "2a-7 like pool" risk limiting requirements of GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools". The portfolio securities are valued by the amortized cost method with maturities of thirteen months or less. The fair value of the County's position in the LGIP is the same as the value of the pool shares. All other investments are stated at fair value.

All County deposits are held in Qualified Virginia Depositories, as required by the Virginia Public Deposit Act and our investment policy. The County also requires stricter guidelines on depositories, requiring a Highline 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 participants 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, 2013, the Primary Government's share in this pool was \$28,757,242 as reported on the face of the OPEB trust fund statement as found in Schedule 22 of the CAFR. At June, 2013, the Component Unit-School's share in this pool was \$64,768,225 as reported on the face of the Component Unit trust fund schedule 38.

The primary government is the administrator of a noncontributory, single employer, defined benefit Length of Service Retirement Plan. 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%. Plan contributions are currently held in a trust account with Comerica. Investments are held in debt securities, 69.2% of portfolio and income yield of 5.63%; equity securities, 19.0% of portfolio and income yield of 3.66%; short term investments of 11.8% of portfolio and income yield of 0.04%. On June 30, 2013, the market value of investments totaled \$15,666,970.

Restricted cash and investments

Restricted cash and investments, consisting of the following amounts:

	Governmental Activities	Component Unit - Schools
General Fund:		
General Obligation Bond Proceeds	\$ 437,402	-
Capital Projects Fund:		
General Obligation Bond Proceeds	\$ 75,449,576	\$ 59,318,554
Debt Service Fund:		
Bond covenants	10,004,029	-
Bond proceeds held by SNAP for debt service and capital projects	8,734,273	-
Total Debt Service Fund	18,738,302	-
Other Governmental Funds:		
Transportation District Funds	20,122,473	-
Capital Asset Preservation Funds	52,434	-
Total Other Governmental Funds	20,174,907	-
Internal Service Funds:		
Self Insurance Fund	1,169,000	-
Total Restricted Cash and Investments	115,969,187	59,318,554

NOTE IV – DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES

(A) RECEIVABLES

Receivables at June 30, 2013 are as follows:

	Taxes	Accounts	Due from Other Governments	Total Receivables
<u>Governmental Activities:</u>				
General Fund	\$ 426,069,784	\$ 1,210,511	\$ 36,685,097	\$ 463,965,392
Capital Projects Fund	-	193,145	450,159	643,304
Other Governmental Funds	1,125,403	54,503	3,701,018	4,880,924
Internal Service Funds	-	95,342	-	95,342
Gross Receivables	427,195,187	1,553,501	40,836,274	469,584,962
Less: allowance for uncollectibles	(3,035,387)	-	-	(3,035,387)
Total Governmental Activities	\$ 424,159,800	\$ 1,553,501	\$ 40,836,274	\$ 466,549,575
<u>Component Unit - Schools:</u>				
General Fund	\$ -	\$ 181,850	\$ 17,663,570	\$ 17,845,420
Special Revenue Fund	-	-	116,796	116,796
Internal Service Funds	-	257,644	-	257,644
Total Component Unit - Schools	\$ -	\$ 439,494	\$ 17,780,366	\$ 18,219,860

(B) PAYABLES

Payables at June 30, 2013 are as follows:

	Vendors	Accrued Interest	Salaries and Benefits	Total Payables
Governmental Activities:				
General Fund	\$ 7,923	\$ -	\$ 13,517,071	\$ 13,524,994
Capital Projects Fund	2,401,003	-	5,640,551	8,041,554
Debt Service Fund	2,150	10,087,766	-	10,089,916
Other Governmental Funds	33,344	-	4,105,742	4,139,086
Internal Service Funds	-	-	1,601,615	1,601,615
Total Governmental Activities	\$ 2,444,420	\$ 10,087,766	\$ 24,864,979	\$ 37,397,165
Component Unit - Schools:				
General Fund	\$ -	\$ -	\$ 60,905,274	\$ 60,905,274
Capital Projects Fund	2,811,037	-	10,998,046	13,809,083
Special Revenue Fund	-	-	1,303,040	1,303,040
Debt Service Funds	-	252,909	-	252,909
Internal Service Funds	-	-	1,978,071	1,978,071
Total Component Unit - Schools	\$ 2,811,037	\$ 252,909	\$ 75,184,431	\$ 78,248,377

NOTE V – INTERFUND BALANCES

Due to/from balances represent amounts paid by one entity on behalf of the other entity. Individual interfund balances at June 30, 2013 consist of the following:

DUE FROM	DUE TO
Governmental Activities	General Fund
County-Wide Sewer Service District Fund	\$ 462
State Federal Grant	39,468
Total	\$ 39,930

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, 2013 consist of the following:

Transfers	Transfers In					Total
	General Fund	Capital Projects Fund	Debt Service Fund	Non-major Funds	Service Funds	
General Fund	\$ -	\$ 21,060,203	\$ 139,761,921	\$ 7,665,324	\$ 3,917,634	\$ 172,405,082
Capital Projects Fund	4,571,011	-	4,517,181	1,165,122	2,992,180	13,245,494
Debt Service Fund	866,302	216,811	-	-	-	1,083,113
Public Facilities Fund	-	8,584,692	-	(63,521)	-	8,521,171
Non-major Funds	3,563,581	10,360,780	-	-	-	13,924,361
Internal Service Funds	10,032,012	-	-	-	-	10,032,012
Total Primary Government	\$ 19,032,906	\$ 40,222,486	\$ 144,279,102	\$ 8,766,925	\$ 6,909,814	\$ 219,211,233

Transfers	Transfers In					Total
	General Fund	Capital Projects Fund	Debt Service Fund	Non-major Funds	Service Funds	
General Fund	\$ -	\$ -	\$ -	\$ -	\$ 1,881,000	\$ 1,881,000
Total Component Unit - Schools	\$ -	\$ -	\$ -	\$ -	\$ 1,881,000	\$ 1,881,000

During the year ending June 30, 2013, the government made the following one-time transfers:

- 1) The General Fund returned \$1,225,115 to the Transportation District Fund.
- 2) One time transfers to the Capital Projects fund to finance capital construction include \$6,762,203 from the General Fund, \$1,634,692 from the Public Facilities Fund and \$2,957,940 from the Transportation District Fund. Other one time transfers from funds total \$495,225.
- 3) The Capital Projects Fund returned \$3,869,268 to the Debt Service Fund and \$1,139,807 to the Hotel and Motel Room Tax Fund for the for the close-out of capital projects.

NOTE VII - NONCURRENT NOTES AND LOANS RECEIVABLE - PRIMARY GOVERNMENT

Noncurrent notes and loans receivable consisted of the following at June 30, 2013.

Notes and Loans Receivable	\$ 4,188,112
Allowance for Uncollectibles	(1,271,108)
Net Notes and Loans Receivable	\$ 2,917,004

Of the gross amount of notes and loans receivable, \$407,448 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 in the County or Loudoun Water, formerly known as the Loudoun County Sanitation Authority (LCSA), for the expansion of sewage services. Sewage connection fees are used to repay these loans. The remaining \$3,168,503 represents loans to individuals/families under the Affordable Housing Project.

NOTE VIII – CAPITAL ASSETS

Capital assets activity for the primary government for the year ended June 30, 2013 is as follows:

	Primary Government				
	Balance July 1, 2012	Additions/ Increases	Retirements/ Decreases	Transfers	Balance June 30, 2013
Capital Assets Not Being Depreciated:					
Land	\$ 134,907,280	\$ 31,278,712	\$ -	\$ -	\$ 166,185,992
Infrastructure - Ponds	55,383,633	2,264,178	-	-	57,647,811
Construction in Progress	34,842,194	34,741,408	-	(14,613,433)	54,970,169
Total Capital Assets Not Being Depreciated	\$ 225,133,107	\$ 68,284,298	\$ -	\$ (14,613,433)	\$ 278,803,972
Depreciable Capital Assets:					
Buildings	\$ 372,825,905	\$ 388,669	\$ -	\$ 13,174,475	\$ 386,389,049
Improvements Other Than Buildings	38,052,966	(91,118)	-	337,015	38,298,863
Equipment	159,402,817	8,093,831	(3,673,773)	1,101,943	164,924,818
Infrastructure	399,953,847	42,247,918	-	-	442,201,765
Total Depreciable Capital Assets	\$ 970,235,535	\$ 50,639,300	\$ (3,673,773)	\$ 14,613,433	\$ 1,031,814,495
Less Accumulated Depreciation for:					
Buildings	\$ (58,531,636)	\$ (9,119,128)	\$ -	\$ -	\$ (67,650,764)
Improvements Other Than Buildings	(13,937,242)	(1,560,249)	-	-	(15,497,491)
Equipment	(95,449,001)	(11,727,603)	3,645,232	-	(103,531,372)
Infrastructure	(81,117,413)	(6,824,779)	-	-	(87,942,192)
Total Accumulated Depreciation	\$ (249,035,292)	\$ (29,231,759)	\$ 3,645,232	\$ -	\$ (274,621,819)
Depreciable Capital Assets, Net	\$ 721,200,243	\$ 21,407,541	\$ (28,541)	\$ 14,613,433	\$ 757,192,676
Total Capital Assets	\$ 946,333,350	\$ 89,691,839	\$ (28,541)	\$ -	\$ 1,035,996,648

Primary government capital assets, net of accumulated depreciation, at June 30, 2013 are comprised of the following:

General Capital Assets, Net	\$ 1,008,284,612
Internal Service Fund Capital Assets, Net	27,712,036
Total Capital Assets, Net	\$ 1,035,996,648

Depreciation was charged to governmental functions as follows:

General government administration	\$ 7,424,313
Judicial administration	841,052
Public safety	7,366,331
Public works	7,796,607
Health and welfare	1,332,600
Parks, recreation and culture	3,932,367
Community development	538,489
Total Depreciation	\$ 29,231,759

Capital asset activity for the Schools for the year ended June 30, 2013 is as follows:

	Component Unit - Schools				
	Balance July 1, 2012	Additions/ Increases	Retirements/ Decreases	Transfers	Balance June 30, 2013
Capital Assets Not Being Depreciated:					
Land	\$ 133,122,811	\$ 2,010,678		\$ -	\$ 135,133,489
Construction in Progress	102,625,494	75,547,847	\$ (100,516,913)	-	77,656,428
Total Capital Assets Not Being Depreciated	\$ 235,748,305	\$ 77,558,525	\$ (100,516,913)	\$ -	\$ 212,789,917
Depreciable Capital Assets:					
Buildings	\$ 1,320,729,683	\$ 101,601,929	\$ -	\$ -	\$ 1,422,331,612
Improvements Other Than Buildings	1,199,947	-	-	-	1,199,947
Equipment	121,298,390	11,762,665	(5,464,757)	-	127,596,298
Infrastructure	1,121	-	-	-	1,121
Total Depreciable Capital Assets	\$ 1,443,229,141	\$ 113,364,594	\$ (5,464,757)	\$ -	\$ 1,551,128,978
Less Accumulated Depreciation for:					
Buildings	\$ (264,516,214)	\$ (31,168,191)	\$ -	\$ -	\$ (295,684,405)
Improvements Other Than Buildings	(876,363)	(45,242)	-	-	(921,605)
Equipment	(97,886,982)	(8,552,221)	5,102,536	-	(101,336,667)
Infrastructure	(140)	(56)	-	-	(196)
Total Accumulated Depreciation	\$ (363,279,699)	\$ (39,765,710)	\$ 5,102,536	\$ -	\$ (397,942,873)
Depreciable Capital Assets, Net	\$ 1,079,949,442	\$ 73,598,884	\$ (362,221)	\$ -	\$ 1,153,186,105
Total Capital Assets, restated	\$ 1,315,697,747	\$ 151,157,409	\$ (100,879,134)	\$ -	\$ 1,365,976,022

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

	Program Authorization	Transferred to Fixed Assets by June 30, 2013	Construction In Progress At June 30, 2013	Construction Commitments At June 30, 2013	Remaining to Be Committed At June 30, 2013
General Government Administration	\$ 187,019,276	\$ 101,452,584	\$ 15,355,829	\$ 17,804,317	\$ 52,406,547
Judicial Administration	30,939,792	30,939,792	-	-	-
Public Safety	211,691,595	94,503,173	28,158,581	6,587,459	82,442,382
Public Works	457,014,419	103,372,102	4,923,468	21,579,095	327,139,754
Health and Welfare	4,867,792	4,467,330	-	-	400,462
Parks, Recreation and Culture	72,155,317	35,758,957	6,532,291	1,501,565	28,362,504
Total Primary Government	\$ 963,688,191	\$ 370,493,938	\$ 54,970,169	\$ 47,472,436	\$ 490,751,649

At June 30, 2013, the Schools had contractual commitments of \$111,455,394 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 assigned fund balance at year end. Funding for all other encumbrances lapses at year end and requires reappropriation by the Board. 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	\$ 9,853,017
Capital Projects Fund	48,725,150
Proprietary Funds	1,710,879
Non-Major Governmental Funds	795,970
Total	<u>\$61,085,016</u>

NOTE X - RISK MANAGEMENT

The County General Government'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 \$100,000 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 million per occurrence limit and 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 Loudoun County School Board'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 \$600,000. 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 School Board 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 \$400,000 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 General Government and Component Unit - 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 General Government's administrator is Wells Fargo Disability Management, and the Component Unit - Schools' administrator is VAcO.

	WORKERS' COMPENSATION		
	Primary Government	Component Unit - Schools	Total
Fiscal Year 2013			
Unpaid Claims Beginning of Fiscal Year	\$ 5,786,437	\$ 3,150,510	\$ 8,936,947
Incurred Claims (Including IBNR)	2,441,908	3,588,819	6,030,727
Claim Payments	(1,837,310)	(2,541,792)	(4,379,102)
Unpaid Claims End of Fiscal Year	\$ 6,391,035	\$ 4,197,537	\$ 10,588,572
Fiscal Year 2012			
Unpaid Claims Beginning of Fiscal Year	\$ 5,907,156	\$ 3,395,419	\$ 9,302,575
Incurred Claims (Including IBNR)	1,830,905	1,797,501	3,628,406
Claim Payments	(1,951,624)	(2,042,410)	(3,994,034)
Unpaid Claims End of Fiscal Year	\$ 5,786,437	\$ 3,150,510	\$ 8,936,947

On October 1, 1994, the County General Government and Component Unit - 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 General Government include regular full-time and part-time staff working twenty (20) or more hours per week, and long-term full-time temporary employees. Eligible employees for the Component Unit - Schools are regular staff working seventeen and one-half (17.5) or more hours per week. Group coverage for Medicare eligible retirees transitioned to a fully-insured Medicare Advantage program, through a CIGNA partnership with Humana, as of September 1, 2009 in an effort to mitigate costs for this group. Non-Medicare eligible retiree health care continues to be self-insured by the County. 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. 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 (HAS) or Health Reimbursement Arrangement (HRA). In-network services for the POS are covered at 100% with a \$15 office visit co-pay for Primary Care Physicians, and a \$30 office visit co-pay for Specialists. Participants may choose to receive services out-of-network, subject to a \$500 deductible and 20% co-insurance. Services for the OAP are covered at 90% in-network co-insurance with a \$200 deductible, 70% out-of-network with a \$500 deductible. The CDHP option also provides both in and out-of-network benefits. The CDHP includes a \$1,500 deductible, 10% in-network coinsurance, and 30% out-of-network co-insurance along with an Employer HAS/HRA contribution. Medco Health Solutions 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 benefit 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 have purchased specific stop loss insurance from Connecticut General Life Insurance Company (CIGNA) limiting claims against the self-insurance program to \$300,000 per occurrence for individual claims. 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 2013			
Unpaid Claims Beginning of Fiscal Year	\$ 2,193,099	\$ 6,922,980	\$ 9,116,079
Incurred Claims (Including IBNR)	36,166,987	120,468,903	156,635,890
Claim Payments	(35,783,542)	(118,335,341)	(154,118,883)
Unpaid Claims End of Fiscal Year	\$ 2,576,544	\$ 9,056,542	\$ 11,633,086
Fiscal Year 2012			
Unpaid Claims Beginning of Fiscal Year	\$ 2,157,770	\$ 6,170,883	\$ 8,328,653
Incurred Claims (Including IBNR)	33,054,469	103,095,987	136,150,456
Claim Payments	(33,019,140)	(102,343,890)	(135,363,030)
Unpaid Claims End of Fiscal Year	\$ 2,193,099	\$ 6,922,980	\$ 9,116,079

The Board of Supervisors has the authority to modify the provisions of the County's active and post-employment benefits program. As of June 30, 2012, 368 retirees or individuals who qualify for disability retirement, met the eligibility requirements and are enrolled in the program. During fiscal year 2012, expenditures of \$3,018,264 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 POST-EMPLOYMENT BENEFITS (OPEB) PLANS

1. Plan Description

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

2. Funding Policy

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

The County participates in the Virginia Pooled OPEB Trust Fund, which was established as an investment vehicle for participating employers to accumulate assets to fund OPEB. Plan assets for purposes of GASB Statement No. 45 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 GASB Statement 45. 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 99.41 percent and 49.74 percent, respectively.

The Primary Government and the Component Unit – Schools' annual OPEB cost and the net OPEB obligation based on an estimated rate of 6.5% including an inflation component of 2.5%, and amortizing the initial unfunded actuarial liability over 30 years based on a level percent of payroll method on a closed basis for 2013 is as follows:

	Primary Government	Component Unit - Schools
Discount Rate	6.50%	6.50%
Annual Required Contribution (ARC)	\$ 11,405,000	\$ 34,223,003
Interest on Net OPEB Obligation	1,793,557	6,511,002
Adjustment to Annual Required Contribution	(1,724,682)	(5,211,147)
Annual OPEB Cost (expense)	\$ 11,473,875	\$ 35,522,858
Actual Contributions	(11,406,528)	(17,668,922)
Increase in net OPEB Obligation	67,347	17,853,936
Net OPEB Obligation, Beginning of Year	27,593,184	103,682,000
Net OPEB Obligation, End of Year	\$ 27,660,531	\$ 121,535,936
Actual Contribution Rate	99.41%	49.74%

The Primary Government and the Component Unit – School's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, the net OPEB Obligation for FY 2013 and the preceding fiscal year were as follows:

Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Contributed	Net OPEB Obligation
Primary Government			
7/1/2012	\$ 11,473,875	99.41%	\$ 27,660,531
7/1/2011	\$ 11,469,215	83.72%	\$ 27,593,184
7/1/2010	\$ 10,146,332	80.62%	\$ 25,726,406
7/1/2009	\$ 10,451,743	67.60%	\$ 23,759,856
7/1/2008	\$ 12,217,502	42.26%	\$ 20,373,495
Component Unit - Schools			
7/1/2012	\$ 35,522,858	49.74%	\$ 121,535,936
7/1/2011	\$ 36,075,263	64.36%	\$ 103,682,000
7/1/2010	\$ 30,439,222	64.55%	\$ 90,825,268
7/1/2009	\$ 31,542,472	47.54%	\$ 80,033,159
7/1/2008	\$ 34,628,926	32.56%	\$ 63,485,655

The projection of future benefit payment for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, also presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

For the year ended June 30, 2013, 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						
7/1/2013	\$ 28,757,000	\$ 65,842,000	\$ 37,085,000	43.68%	\$ 165,086,213	22.46%
7/1/2011	15,055,000	111,771,000	96,716,000	13.47%	163,737,000	59.07%
7/1/2009	3,061,877	125,234,991	122,173,114	2.44%	169,779,501	71.96%
7/1/2007	-	138,900,336	138,900,336	0.00%	149,394,123	92.98%
Component Unit - Schools						
7/1/2013	\$ 52,500,000	\$ 351,778,821	\$ 299,278,821	14.92%	\$ 365,332,000	81.92%
7/1/2011	35,159,000	313,999,000	278,840,000	11.20%	365,332,000	76.33%
7/1/2009	7,183,273	341,943,541	334,760,268	2.10%	433,438,915	77.23%
7/1/2007	-	348,055,997	348,055,997	0.00%	363,466,341	95.76%

The County implemented GASB 45 in FY 2008; therefore, six years of data is not available but will be accumulated over time. The most recent actuarial valuation was completed on July 1, 2013 and for the financial reporting purposes, the actuarial valuation will be performed at least biennially.

4. Actuarial Methods and Assumptions

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

The ARC for FY 2013 was determined as part of July 1, 2013 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.

Trend rate for medical benefits (including prescription drugs) for Pre-Medicare rates of 7.0 percent initially, reduced by decrements to an ultimate rate of 5 percent after seven years (7%, 6.5%, 6%, 5.5%, 5%, 5%, 5%) and Post Medicare rates of 6.5 percent initially, reduced by decrements to an ultimate rate of 5 percent after eight years (6.5%, 6.25%, 6%, 5.75%, 5.5%, 5.25%, 5%) including an inflation component of 2.5 percent.

NOTE XII - OPERATING LEASES

The County has various long-term non-cancelable operating lease agreements for property and equipment, which expire through fiscal year 2018. Total costs for such leases were \$8,849,176 for fiscal year 2013. 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, 2013. Non-cancelable operating leases include the following minimum annual rental payments as of June 30, 2013:

Fiscal Year	Primary Government
2014	\$ 6,244,580
2015	2,702,515
2016	1,532,043
2017	1,408,014
2018	1,176,016
Total	\$ 13,063,168

NOTE XIII - CAPITAL LEASES

Capital leases for property and equipment include the following minimum annual lease payments as of June 30, 2013.

Fiscal Year	Primary Government	Component Unit-Schools
2014	\$ 15,848,913	\$ 8,159,356
2015	15,897,523	6,432,598
2016	14,754,910	4,364,429
2017	14,416,827	2,552,310
2018	13,018,811	-
2019-2023	48,612,051	-
2024-2028	32,210,339	-
2029-2031	12,974,738	-
Subtotal	\$ 167,734,112	\$ 21,508,693
Less: Amounts representing interest	(42,834,112)	(572,106)
Capital Lease Obligations	\$ 124,900,000	\$ 20,936,587

Capital leases payable as of June 30, 2013, are composed of the following individual items:

Date Issued	Final Maturity	Interest Rate	Issued Amount	Balance at June 30, 2013	Type of Project Financed (the assets acquired secured the related capital lease)
Primary Government					
12/13/03	Dec 2023	4.20%	35,000,000	1,340,000	Public Safety Facilities
12/10/08	Oct 2028	4.69%	46,240,000	37,190,000	Public Safety Facilities
06/17/09	Oct 2019	2.97%	36,000,000	25,200,000	Capital Vehicles / Computer Equipment
11/19/09	Oct 2016	2.55%	7,745,000	4,425,000	Capital Vehicles / Computer Equipment
03/15/10	Feb 2030	3.43%	985,000	865,000	Public Safety Facilities
06/16/10	Oct 2030	3.84%	7,140,000	6,420,000	Landfill Facilities
06/28/11	May 2031	3.89%	36,240,000	34,525,000	Government Office Facilities
11/01/12	Dec 2023	1.68%	14,935,000	14,935,000	Public Safety Facility
Total Primary Government			\$ 184,285,000	\$ 124,900,000	
Component Unit - Schools					
08/26/09	Aug 2013	2.58%	6,363,000	1,652,006	School Equipment
09/29/10	Sep 2014	1.59%	8,144,000	4,072,000	School Equipment
07/20/11	Jul 2015	1.41%	7,000,000	5,286,581	School Equipment
08/27/12	Aug 2016	1.14%	9,926,000	9,926,000	School Equipment
Total Component Unit - Schools			\$ 31,433,000	\$ 20,936,587	

Assets acquired under capital leases by major asset class for the Primary Government at June 30, 2013, are as follows:

Primary Government		
Major Asset Class	Issued Amount	Balance at June 30, 2013
Buildings	\$ 125,605,000	\$ 95,275,000
Computer Equipment	32,216,400	21,806,658
Vehicles	15,254,600	7,818,342
Total Primary Government	\$ 173,076,000	\$ 124,900,000

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, 2013:

	Balance at June 30, 2012	Additions	Reductions	Balance at June 30, 2013	Amounts Due Within One Year
Primary Government					
Compensated Absences	\$ 23,912,559	\$ 2,310,443	\$ 1,199,062	\$ 25,023,940	\$ 1,076,029
Claims Payable	7,979,536	38,608,895	37,620,852	8,967,579	5,952,645
Landfill Closure and Postclosure Care	23,652,382	-	593,797	23,058,585	-
Other Post-Employment Benefits	27,593,184	67,347	-	27,660,531	-
General Obligation Bonds and Loans	879,925,000	232,210,000	192,235,000	919,900,000	86,970,000
Deferred amount on refunding	-	11,694,994	(85,716)	11,609,278	1,724,027
Unamortized Bond Premium	43,341,586	28,898,113	11,034,031	61,205,668	8,559,258
Capital Leases	138,143,777	14,935,000	28,178,777	124,900,000	10,505,000
Total Primary Government	\$ 1,144,548,024	\$ 328,724,792	\$ 270,775,803	\$ 1,202,325,581	\$ 114,786,959
Component Unit - Schools					
Compensated Absences	\$ 18,831,149	\$ 3,916,711	\$ 1,818,088	\$ 20,929,772	\$ 2,363,515
Claims Payable	10,073,490	124,057,722	120,877,133	13,254,079	11,120,517
Other Post-Employment Benefits	103,682,000	35,522,858	17,668,922	121,535,936	-
Capital Leases	18,870,504	9,926,000	7,859,917	20,936,587	7,799,567

Long-term obligations of governmental activities are generally liquidated by the general fund, except for claims liabilities, which are liquidated by the internal service fund. See Note X for additional information on Other Post-Employment Benefits liability.

Bonds and loans payable as of June 30, 2013, are as follows:

<u>General Obligation Bonds:</u>	<u>Balance at June 30, 2013</u>
\$16,665,000 School Construction Bonds, Series 1994B, due in annual installments from \$710,000 to \$865,000 through 2013, interest from 6.10% to 6.30%. The proceeds of these bonds were used for new school construction as well as improvements in existing schools.	\$855,000
\$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.	2,500,000
\$10,105,000 Public Improvement Bonds, Series 1998B, due in annual installments of \$30,000 to \$1,910,000 through 2016, interest from 4.00% to 5.25%. The proceeds of these bonds were used for the refunding of outstanding bonds originally issued in 1989, 1993, and 1996.	5,075,000
\$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.	7,070,000
\$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.	1,200,000
\$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.	5,405,000
\$14,075,000 Refunding Bonds, Series 2003B, due in annual installments of \$1,400,000 to \$2,535,000 through 2013, interest from 3.00% to 5.00%. The proceeds of these bonds were used for the advance refunding of outstanding bonds originally issued in 1993.	570,000
\$111,000,000 Public Improvement Bonds, Series 2004A, due in annual installments of \$4,705,000 to \$7,120,000 through 2024, interest from 3.25% to 5.25%. The proceeds of these bonds will be used to finance the acquisition, construction, renovation, and equipping of public schools, a fire/sheriff station, public libraries, and park and recreation facilities in the County.	4,705,000
\$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.	39,900,000
\$158,085,000 Refunding Bonds, Series 2005A, due in annual installments of \$670,000 to \$21,610,000 through 2021, interest from 3.00% to 5.00%. The proceeds of these bonds were used for the advance refunding of outstanding bonds originally issued in 1994, 1996, 1997, 1998, 1999, 2000, 2001, 2002, and 2003.	55,775,000
\$122,365,000 Public Improvement Bonds, Series 2005B, due in annual installments of \$4,935,000 to \$8,315,000 through 2025, interest from 2.627% to 5.00%. The proceeds of these bonds will be used to finance the acquisition, construction, renovation, and equipping of public schools, a fire/sheriff station, public libraries, and park and recreation facilities in the County.	9,880,000
\$60,000,000 Public Improvement Bonds, Series 2005C, due in annual installments of \$1,750,000 to \$3,700,000 through 2025, interest from 3.50% 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, a public library, and park and recreation facilities in the County.	8,325,000
\$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.	10,640,000
\$85,000,000 Public Improvement Bonds, Series 2006B, due in annual installments of \$3,805,000 to \$5,075,000 through 2025, interest from 4.25% to 5.00%. The proceeds of these bonds were used to finance the acquisition, construction, renovation, and equipping of public schools, fire/sheriff stations, and park and recreation facilities in the County.	15,240,000
\$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.	3,600,000
\$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.	53,545,000
\$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.	9,830,000
\$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.	133,865,000
\$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.	124,140,000
\$89,120,000 Refunding Bonds, Series 2010A, due in annual installments of \$95,000 to \$20,075,000 through 2026, interest from 3.00% to 5.00%. The proceeds of these bonds were used for the advance refunding of outstanding bonds originally issued in 1998, 2001, 2004, 2005, 2006, and 2007.	88,990,000
\$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.	58,795,000
\$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.	47,130,000
\$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.	4,740,000
\$64,500,000 Public Improvement Bonds, Series 2012A, due in annual installments of \$2,765,000 to \$4,085,000 through 2031, interest from 0.19% to 3.1%. 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.	60,415,000
\$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.	99,725,000
\$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.	67,985,000
Total General Obligation Bonds	<u>\$919,900,000</u>

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

Year Ending June 30	Principal	Interest
2014	\$ 86,970,000	\$ 38,997,345
2015	82,410,000	35,360,288
2016	81,295,000	31,464,599
2017	78,995,000	28,047,029
2018	74,125,000	25,043,042
2019-2023	299,350,000	82,413,337
2024-2028	170,330,000	27,534,064
2029-2033	46,425,000	3,554,761
Total General Obligations and Loans Payable	\$ 919,900,000	\$ 272,414,465

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, 2013, \$507,630,000 of bonds outstanding are considered defeased. This amount includes \$18,075,000 of Lease Revenue Refunding Bonds advance refunded on November 1, 2012 and \$110,535,000 of General Obligation Bonds which the County advanced refunded on June 25, 2013.

In 2013, the government issued \$127,155,000 in public improvement and lease revenue, and refunding bonds with interest rates ranging from 0.175% to 5%. The proceeds were used to advance refund \$128,610,000 of outstanding 2006 Series B, 2005 Series A Refunding, Series 2005 B, Series 2005 C, and Series 2003 Lease Revenue bonds which had interest rates ranging from 4.0% to 5.25%. The net proceeds of \$142,519,636 (including a \$9,674,386 premium, \$4,455,405 of other funds, and after payment of \$746,985 in underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, the outstanding 2006 Series B, 2005 Series A Refunding, 2005 Series B, 2005 Series C, and 2003 Series A Lease Revenue bonds are considered defeased and the liability for those bonds has been removed from the statement of net position.

The reacquisition price exceeded the net carrying amount of the old debt by \$11,694,995. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt. The government advance refunded the 2006 Series B, 2005 Series A Refunding, 2005 Series B, 2005 Series C, and 2003 Series A Lease Revenue bonds to reduce its total debt service payments by \$15,979,730 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of 10,016,398.

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 \$23,058,585 liability for landfill closure and postclosure care cost at June 30, 2013 represents the estimated liability based on the usage of 72.5% of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care in the amount of \$8,387,340 as the remaining estimated capacity is used. The estimated remaining life of the Loudoun County Landfill Disposal Unit is 6.1 years. The liability accrued at June 30, 2013 is based on what it would cost to perform all closure and postclosure care in 2013. Actual cost may differ from this estimate due to inflation, 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 Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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

1. Plan Description

Name of Plan:	Virginia Retirement System (VRS)
Identification of Plan:	Agent and Cost-Sharing Multiple-Employer Defined Benefit Pension Plan
Administering Entity:	Virginia Retirement System (VRS)

All full-time, salaried permanent employees of participating employers must participate in the VRS. Benefits vest after five years of service credit. Two defined benefit plans for local government employees are administered by VRS.

Members hired before July 1, 2010 and who have service credits before July 1, 2010 are covered under Plan 1. Employees covered under Plan 1 are eligible for an unreduced retirement benefit at age 65 with 5 years of service or at age 50 with 30 years of service payable monthly for life in an amount equal to 1.7 percent of their average final compensation (AFC) for each year of credited service. AFC for Plan 1 is defined as the highest consecutive 36 months of reported compensation. Members hired or rehired on or after July 1, 2010 and who have no service credits before July 1, 2010 are covered under Plan 2. Employees covered under Plan 2 are eligible for an unreduced benefit beginning at their normal Social Security retirement age with at least five years of service credit or when the sum of their age and service equals 90. Under Plan 2, AFC is 1.7 percent of the average of the member's 60 consecutive months of highest compensation for each year of credited service. Participating law enforcement officers and firefighters in Plan 1 and Plan 2 are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Benefits are actuarially reduced for retirees who retire prior to becoming eligible for full retirement benefits. In addition, retirees qualify for an annual cost-of-living adjustment (COLA) beginning in their second year of retirement. Under Plan 1, the COLA cannot exceed 5%; under Plan 2, the COLA cannot exceed 6%. Participating law enforcement officers and firefighters may receive a monthly benefit supplement if they retire prior to age 65. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia (1950), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

The System issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of that report may be obtained by writing to the System at P O Box 2500, Richmond, VA 23218-2500.

2. Funding Policy and Status

Employees are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5% of their annual salary to the VRS. This 5% member contribution has been assumed both by the County and the School Board for their respective employees. If an employee leaves covered employment, the accumulated contributions plus interest earned may be refunded to the employee. Each participating employer is required by State statute to contribute the remaining amounts necessary to fund the System using the actuarial basis specified by the Code of Virginia (1950), as amended, and approved by the VRS Board of Trustees. State statute may be amended only by the Commonwealth of Virginia Legislature. Total contributions made by the Schools to the VRS statewide teacher cost-sharing pool for professional employees of the Schools for the three fiscal years 2011, 2012, and 2013 were \$37,095,872, \$48,852,640, and \$71,985,864 respectively, and represented 9.56%, 11.90%, and 17.77% of the covered payroll, respectively.

For the year ended June 2013, the Primary Government and the Component Unit – Schools 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						
6/30/2012	\$ 382,580,098	\$ 502,929,174	\$ 120,349,076	76.07%	\$ 165,784,867	72.59%
6/30/2011	366,390,677	464,098,830	97,708,153	78.95%	159,891,471	61.11%
6/30/2010	341,931,123	428,606,129	86,675,006	79.78%	158,703,678	54.61%
Component Unit - Schools						
6/30/2012	\$ 85,347,512	\$ 108,039,695	\$ 22,692,183	79.00%	\$ 48,634,442	46.66%
6/30/2011	80,916,644	101,879,533	20,962,889	79.42%	48,578,343	43.15%
6/30/2010	74,726,828	94,531,489	19,804,661	79.05%	48,480,310	40.85%

3. Annual Pension Cost

For 2013, the Primary Government and Component Unit-Schools' annual pension cost of \$27,412,511 and \$6,266,475 respectively, was equal to the Primary Government and Component Unit-Schools' required and actual contributions. The required contribution was determined as part of the June 30, 2010 actuarial valuation using the entry age normal actuarial cost method. The amortization method used is a level percent, open method with an amortization period of 20 years. The actuarial assumptions included (a) 7.00% investment rate of return, (b) projected salary increases of 3.75% to 5.60% per year, and (c) 2.50% per year cost-of-living adjustment for Plan 1 members and 2.25% for Plan 2 members. Both (a) and (b) included an inflation component of 2.50%. The actuarial value of the Primary Government and Component Unit-Schools' assets is equal to the modified market value of assets. This method was determined using techniques that smooth the effects of short-term volatility in the market value of assets over a five-year period.

Trend Information - Primary Government			
Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2013	\$ 27,412,511	100%	\$ -
June 30, 2012	\$ 22,527,794	100%	\$ -
June 30, 2011	\$ 21,613,590	100%	\$ -
June 30, 2010	\$ 20,996,618	100%	\$ -
June 30, 2009	\$ 21,253,078	100%	\$ -

Trend Information - Component Unit-Schools			
Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2013	\$ 6,266,475	100%	\$ -
June 30, 2012	\$ 6,133,882	100%	\$ -
June 30, 2011	\$ 5,936,049	100%	\$ -
June 30, 2010	\$ 6,324,055	100%	\$ -
June 30, 2009	\$ 6,378,248	100%	\$ -

(B) VOLUNTEER FIRE AND RESCUE RETIREMENT SYSTEM

1. Plan Description

The Primary Government is the administrator of a noncontributory, single employer, defined benefit Length of Service Retirement Plan (the Plan). The Plan covers voluntary fire and rescue service members, who are not Primary Government employees, but who serve voluntarily with one of the Primary Government's volunteer fire and rescue companies. The Plan provides retirement benefits as well as death and disability benefits. All benefits vest after ten years of credited service. Members who retire at or after age 55 with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to \$12 per month for each year of credited service earned after November 1, 2003 with a maximum benefit of \$300 per month, \$10 per month for each year of credited service earned prior to November 1, 2003, with a maximum benefit of \$250 per month. The Plan has a total of 1,809 members; no member is in retirement status, 522 are former members with vested benefits, resulting in 1,287 active Plan participants for the year. The Loudoun County Board of Supervisors maintains the authority to establish and amend the benefit provisions of the Plan. 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 Supplemental Information and Other Supplemental Information / Fiduciary Funds).

2. Funding Status and Progress

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

For the year ended June 30, 2012 and June 30, 2013, the funding progress is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
6/30/2013	\$ 15,498,436	\$ 17,121,392	\$ 1,622,956	90.52%	N/A	N/A
6/30/2012	\$ 14,180,560	\$ 15,887,640	\$ 1,707,080	89.26%	N/A	N/A

3. Annual Pension Cost

The Primary Governments' contributions to the Plan of \$840,686 were equal to the annual required contribution and annual pension cost for each year. The annual and required contribution was determined through a June 30, 2013 actuarial valuation using the Attained Age Normal Frozen Initial Liability cost method. The amortization method used is a fifteen year, level dollar method and is a closed amortization period. The actuarial assumptions included 5.5% investment rate of return and inflation component of 2.5%. The actuarial value of assets is equal to the fair market value of the assets.

Trend Information			
Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2013	\$ 840,686	100%	\$ -
June 30, 2012	\$ 830,205	100%	\$ -
June 30, 2011	\$ 787,679	100%	\$ -
June 30, 2010	\$ 765,362	100%	\$ -
June 30, 2009	\$ 682,708	100%	\$ -

4. Financial Statements

Statement of Net Position		Statement of Changes in Pension Trust Net Assets	
Assets		Contributions - Employer	\$ 830,205
Cash and Cash Equivalents	\$ 15,666,970	Interest	734,992
Accounts Receivable	0	Less: Benefits	(150,738)
Total Assets	15,666,970	Administration Expense	(96,583)
Liabilities		Change in Net Assets	1,317,876
Accounts Payable	168,534	Net Assets at Beginning of Year	14,180,560
Total Liabilities	168,534	Net Assets at End of Year	\$ 15,498,436
Net Assets Held in Trust	\$ 15,498,436		

NOTE XIX - UNEARNED REVENUE

Deferred revenue, representing taxes not yet due of \$398,316,215, uncollected delinquent tax billings of \$7,243,133, business license tax billings of \$618,956, grants of \$5,462,353 not available for funding of current expenditures, and miscellaneous revenue of \$1,172,448 totaled \$412,813,105 for both Primary Government and Schools as of June 30, 2013. Certain uncollected business license tax billings that are reflected as delinquent tax receivables, are being disputed and may not be collected. The miscellaneous revenue amount includes other local taxes, charges for services, donations, and miscellaneous recoveries.

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 \$51.3 million at June 30, 2013.

NOTE XX - EXCESS EXPENDITURES OVER APPROPRIATIONS

As of June 30, 2013, the following fund had excess of expenditures over appropriations:

The Legal Resources Center Fund expenditures for the fiscal year 2013 exceeded its legal budget of \$98,387 by \$2,318. The additional expenditures were covered by the use of fund balance. The Public Facilities Fund exceeded its legal budget of \$2,023,978 by \$7,960,725. The additional expenditures were covered by the use of fund balance. The Debt Service Fund exceeded its legal budget of \$162,107,950 by \$136,024,462 due to advance refunding.

NOTE XXI – FUND BALANCE CLASSIFICATION

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 Unrestricted 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.

In FY 2013, the CDBG grant was transferred from the General Fund to the State and Federal Grant Special Revenue Fund resulting in a transfer of fund balance in the amount of \$176,014.

Specific purpose details for fund balance classifications displayed in the aggregate for governmental funds as of June 30, 2013 are as follows:

FY 2013	General	Public Facilities	Capital Projects	Debt Service	Other Governmental	Total Governmental Funds
Nonspendable:						
Inventories	\$ -	\$ -	\$ -	\$ -	\$ 157,456	\$ 157,456
Notes and Loans	1,609,856	-	-	-	1,307,148	2,917,004
Prepays	1,093,133	-	201,709	-	909,925	2,204,767
Subtotal Nonspendable	\$ 2,702,989	\$ -	\$ 201,709	\$ -	\$ 2,374,529	\$ 5,279,227
Restricted for:						
Alterations to General Govt	\$ -	-	\$ -	\$ -	\$ 800,000	\$ 800,000
Fire / Sheriff Stations	-	7,606,936	13,109,058	-	-	20,715,994
Radio Communications System	-	-	-	-	378,359	378,359
Road, Transportation,	-	48,504,015	35,450,788	-	76,989	84,031,792
Health and Welfare Programs	-	2,562,814	233,901	-	8,492	2,805,207
Housing Assistance Programs	-	-	-	-	20,856,841	20,856,841
Library Improvements, Materials, Equipment	-	-	-	-	4,410,459	4,410,459
Parks and Library Construction	-	22,590,124	22,572,144	-	-	45,162,268
Community Development /	-	48,704,966	5,039,423	-	20,968,999	74,713,388
Bond Covenants	-	-	-	10,004,029	-	10,004,029
School Land Acquisition	-	2,966,478	22,419,023	-	-	25,385,501
Subtotal Restricted	\$ -	\$ 132,935,333	\$ 98,824,337	\$ 10,004,029	\$ 47,500,139	\$ 289,263,838
Committed to:						
Fiscal Reserve	\$112,064,686	-	\$ -	\$ -	\$ 296,845	\$ 112,361,531
Fire / Rescue Revolving Loans	3,690,408	-	-	-	-	3,690,408
Computer System Repl. /	1,651,319	-	-	-	1,485,196	3,136,515
ERP Project / Initiatives	-	-	15,487,314	-	-	15,487,314
Courts Complex Improvements	145,430	-	1,840,211	-	54,522	2,040,163
Firing Range / CAD System	2,055,492	-	17,083,265	-	-	19,138,757
County Facilities	1,541,286	-	-	-	1,473,923	3,015,209
Road and Landfill Construction	-	-	17,609,564	-	-	17,609,564
Health and Welfare Programs	1,198,197	-	265,710	-	-	1,463,907
CSA At Risk Youth	-	-	-	-	4,269,417	4,269,417
Park and Library Improvement	855,927	-	3,594,102	-	623,503	5,073,532
Community Development /	421,448	-	872,146	-	274,201	1,567,795
County / School Land	-	-	6,481,043	-	-	6,481,043
Subtotal Committed	\$123,624,193	\$ -	\$ 63,233,355	\$ -	\$ 8,477,607	\$ 195,335,155
Assigned to:						
Debt Service	\$ -	-	\$ -	\$37,406,494	\$ -	\$ 37,406,494
Other Purposes	42,016,085	-	867,355	14,000,000	6,251,293	63,134,733
Subtotal Assigned	\$ 42,016,085	\$ -	\$ 867,355	\$51,406,494	\$ 6,251,293	\$ 100,541,227
Unassigned	\$ 51,307,907	\$ -	\$ -	\$ -	\$ (638,138)	\$ 50,669,769
Subtotal Unassigned	\$ 51,307,907	\$ -	\$ -	\$ -	\$ (638,138)	\$ 50,669,769
Total Fund Balance	\$219,651,174	\$ 132,935,333	\$163,126,756	\$61,410,523	\$ 63,965,430	\$ 641,089,216

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, 2013, the outstanding principal balance on the bonds is \$182,105,000. The Board of Supervisors of Loudoun and Fairfax Counties have agreed to equally support any shortfalls in annual debt service payments arising from a shortage of District tax revenues.

NOTE XXII – SUBSEQUENT EVENTS

On October 16, 2013, the Board of Supervisors authorized the issuance of general obligation public improvement bonds in an amount not to exceed \$45,200,000 for capital projects. The bond sale was completed on December 4th.

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amount (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (Inflows)				
General Property Taxes	\$ 822,796,100	\$ 824,696,100	\$ 838,029,908	\$ 13,333,808
Other Local Taxes	121,308,300	121,407,480	128,720,283	7,312,803
Permits and Licenses	18,052,165	18,080,031	22,613,721	4,533,690
Fines and Forfeitures	2,691,894	2,691,894	2,746,066	54,172
Use of Money and Property	3,549,387	3,549,387	3,005,292	(544,095)
Charges for Services	29,407,599	29,917,370	29,039,173	(878,197)
Gifts and Donations	28,856	232,057	258,790	26,733
Miscellaneous	352,575	374,692	485,704	111,012
Recovered Costs	7,696,145	8,026,399	7,299,736	(726,663)
Intergovernmental - Commonwealth	82,064,459	84,080,248	82,910,523	(1,169,725)
Intergovernmental - Federal	4,429,508	6,088,358	5,537,659	(550,699)
Transfers from Other Funds	8,796,556	19,035,155	19,032,906	(2,249)
Amounts Available for Appropriation	<u>1,101,173,544</u>	<u>1,118,179,171</u>	<u>1,139,679,761</u>	<u>21,500,590</u>
Charges to Appropriations (Outflows)				
General Government Administration	66,307,783	73,271,293	59,857,783	13,413,510
Judicial Administration	12,840,562	12,849,518	12,414,690	434,828
Public Safety	148,997,879	155,738,762	149,027,173	6,711,589
Public Works	15,594,613	16,866,907	14,713,141	2,153,766
Health and Welfare	66,140,420	68,340,394	63,022,419	5,317,975
Parks, Recreation and Culture	48,268,079	48,797,663	45,192,868	3,604,795
Community Development	40,183,908	41,446,428	38,478,928	2,967,500
Education	574,100,610	574,649,679	566,963,289	7,686,390
Transfers to Other Funds	164,559,869	172,412,404	172,405,082	7,322
Total Charges to Appropriations	<u>1,136,993,723</u>	<u>1,164,373,048</u>	<u>1,122,075,373</u>	<u>42,297,675</u>
Excess (Deficiency) of Resources Over				
Charges to Appropriations	(35,820,179)	(46,193,877)	17,604,388	63,798,265
Fund Balance at Beginning of Year	202,046,786	202,046,786	202,046,786	-
Fund Balance at End of Year	<u>\$ 166,226,607</u>	<u>\$ 155,852,909</u>	<u>\$ 219,651,174</u>	<u>\$ 63,798,265</u>

**COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE - PUBLIC FACILITIES FUND
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (Inflows)				
Use of Money and Property	\$ 1,149,412	\$ 1,218,479	\$ 187,292	\$ (1,031,187)
Gifts and Donations	5,800,588	805,499	39,049,834	38,244,335
Amounts Available for Appropriation	<u>6,950,000</u>	<u>2,023,978</u>	<u>39,237,126</u>	<u>37,213,148</u>
Charges to Appropriations (Outflows)				
Public Safety	-	-	796,027	(796,027)
Public Works	-	591,240	591,254	(14)
Community Development	-	620,337	76,251	544,086
Transfers to Other Funds	6,950,000	812,401	8,521,171	(7,708,770)
Total Charges to Appropriations	<u>6,950,000</u>	<u>2,023,978</u>	<u>9,984,703</u>	<u>(7,960,725)</u>
Excess (Deficiency) of Resources Over				
Charges to Appropriations	-	-	29,252,423	29,252,423
Fund Balance at Beginning of Year	<u>103,682,910</u>	<u>103,682,910</u>	<u>103,682,910</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 103,682,910</u>	<u>\$ 103,682,910</u>	<u>\$ 132,935,333</u>	<u>\$ 29,252,423</u>

**COUNTY OF LOUDOUN, VIRGINIA
NOTES TO BUDGETARY COMPARISON SCHEDULE
JUNE 30, 2013**

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 for the fiscal year, commencing on the following July 1, to the Board of Supervisors. 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 Appropriation 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 character level within each department as a management control device during the year.
6. All Budgets are adopted on a basis consistent with Generally Accepted Accounting Principles.
7. Approval by the Board of Supervisors is required for changes that affect the total fund appropriations or estimated revenues. In order to affect a change, a Budget Adjustment is created. Budget adjustments that do not revise the original appropriation are approved/disapproved by the Director of Management and Financial Services and the County Administrator after sufficient justification for the revision to the budget has been received. The County Administrator presents budget adjustments that change appropriations or estimated revenues at the fund level to the Board of Supervisors for consideration of approval.

**COUNTY OF LOUDOUN, VIRGINIA
PUBLIC EMPLOYEE RETIREMENT SYSTEMS - PRIMARY GOVERNMENT
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)
Volunteer Fire and Rescue Retirement System	6/30/2013	\$ 15,498,436	\$ 17,121,392	\$ 1,622,956	90.52%	N/A	N/A
	6/30/2012	14,180,560	15,887,640	1,707,080	89.26%	N/A	N/A
	6/30/2011	13,250,214	15,037,032	1,786,818	88.12%	N/A	N/A
	6/30/2010	11,888,743	13,377,690	1,488,947	88.87%	N/A	N/A
	6/30/2009	11,777,673	13,294,146	1,516,473	88.59%	N/A	N/A
	6/30/2008	11,144,542	12,672,783	1,528,241	87.94%	N/A	N/A
Virginia Retirement System	6/30/2012	\$ 382,580,098	\$ 502,929,174	\$ 120,349,076	76.07%	\$ 165,784,867	72.59%
	6/30/2011	366,390,677	464,098,830	97,708,153	78.95%	159,891,471	61.11%
	6/30/2010	341,931,123	428,606,129	86,675,006	79.78%	158,703,678	54.61%
	6/30/2009	322,065,671	373,413,874	51,348,203	86.25%	161,618,250	31.77%
	6/30/2008	295,576,688	337,607,414	42,030,726	87.55%	156,489,621	26.86%
	6/30/2007	253,575,699	294,255,264	40,679,565	86.18%	146,302,017	27.81%

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

All six year-recommended trend information for Virginia Retirement System has been calculated using the Entry Age Normal actuarial cost method. Under the Entry Age Normal actuarial cost method, the actuarial present value of future benefits for each member is allocated for the members pensionable compensation on a level basis between the entry age of the member and the estimated exit age. The portion of the present value of future benefits not provided for by the present value of future normal costs is called the actuarial accrued liability.

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

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

* Expressing the unfunded actuarial accrued liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the plan's progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller the percentage, the stronger the plan.

SCHEDULE OF EMPLOYER CONTRIBUTIONS (Unaudited):

Virginia Retirement System General Employees			Volunteer Fire and Rescue Retirement System Volunteer Firefighters		
Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed	Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed
6/30/2013	\$ 27,412,511	100%	6/30/2013	\$ 840,686	100%
6/30/2012	22,527,794	100%	6/30/2012	830,205	100%
6/30/2011	21,613,590	100%	6/30/2011	787,679	100%
6/30/2010	20,996,618	100%	6/30/2010	765,362	100%
6/30/2009	21,253,078	100%	6/30/2009	682,708	100%
6/30/2008	20,550,113	100%	6/30/2008	701,629	100%
6/30/2007	18,827,144	100%	6/30/2007	719,556	100%

**COUNTY OF LOUDOUN, VIRGINIA
PUBLIC EMPLOYEE RETIREMENT SYSTEMS - COMPONENT UNIT
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)
School Board:	6/30/2012	\$ 85,347,512	\$ 108,039,695	\$ 22,692,183	79.00%	\$ 48,634,442	46.66%
Virginia Retirement System	6/30/2011	80,916,644	101,879,533	20,962,889	79.42%	48,578,343	43.15%
	6/30/2010	74,726,828	94,531,489	19,804,661	79.05%	48,480,310	40.85%
	6/30/2009	68,868,858	81,632,764	12,763,906	84.36%	48,957,722	26.07%
	6/30/2008	61,201,052	74,069,781	12,868,729	82.63%	46,124,197	27.90%
	6/30/2007	51,844,053	63,623,595	11,779,542	81.49%	40,851,082	28.84%
	6/30/2006	43,303,297	53,516,255	10,212,958	80.92%	36,143,816	28.26%

All six year-recommended trend information has been calculated using the Entry Age Normal actuarial cost method. Under the Entry Age Normal actuarial cost method, the actuarial present value of future benefits for each member is allocated for the members pensionable compensation on a level basis between the entry age of the member and the estimated exit age. The portion of the present value of future benefits not provided for by the present value of future normal costs is called the actuarial accrued liability.

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

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

* Expressing the unfunded actuarial accrued liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the plan's progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller the percentage, the stronger the plan.

SCHEDULE OF EMPLOYER CONTRIBUTIONS (Unaudited)

Virginia Retirement System School Board		
Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed
6/30/2013	\$ 6,266,475	100%
6/30/2012	6,133,882	100%
6/30/2011	5,936,049	100%
6/30/2010	6,324,055	100%
6/30/2009	6,378,248	100%
6/30/2008	5,516,232	100%
6/30/2007	4,929,999	100%

COUNTY OF LOUDOUN, VIRGINIA
SCHEDULE OF FUNDING PROGRESS FOR THE RETIREE HEALTH PLAN
REQUIRED SUPPLEMENTARY INFORMATION

		(1)	(2)	(3)	(4)	(5)	(6)
	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial 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	07/01/2013	\$ 28,757,000	\$ 65,842,000	\$ 37,085,000	43.68%	\$ 165,086,213	22.46%
Other Post Employment Benefits	07/01/2011	15,055,000	111,771,000	96,716,000	13.47%	163,737,000	59.07%
	07/01/2009	3,061,877	125,234,991	122,173,114	2.44%	169,779,501	71.96%
	07/01/2007	-	138,900,336	138,900,336	0.00%	149,394,123	92.98%
Component Unit	07/01/2013	\$ 52,500,000	\$ 351,778,821	\$ 299,278,821	14.92%	\$ 365,332,000	81.92%
Other Post Employment Benefits	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%
	07/01/2007	-	348,055,997	348,055,997	0.00%	363,466,341	95.76%

The County began implementing GASB 45 in Fiscal Year 2008; therefore, six years of data is not yet available, but will be accumulated over time. 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 X in the Notes to the Financial Statements section for more information.

OTHER SUPPLEMENTARY INFORMATION

GENERAL FUND

General Fund

General Fund (100-1110) - 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, 2013
(With Comparative Actual Amounts for 2012)

	2013		2012	
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
From local sources:				
<u>General property taxes:</u>				
Real property taxes	\$ 672,156,590	672,593,092	\$ 436,502	\$ 666,593,026
Real and personal public service corporation property taxes	22,112,380	17,925,222	(4,187,158)	23,316,656
Personal property taxes	124,182,700	141,417,162	17,234,462	120,157,801
Machinery and tools taxes	1,026,860	974,946	(51,914)	1,036,651
Penalties and interest	5,217,570	5,119,486	(98,084)	4,965,140
Total general property taxes	824,696,100	838,029,908	13,333,808	816,069,274
<u>Other local taxes:</u>				
Local sales and use taxes	56,619,390	58,036,536	1,417,146	58,365,310
Consumer utility taxes	21,432,790	21,504,030	71,240	19,864,904
Business license taxes	25,780,830	28,400,538	2,619,708	25,995,888
Motor vehicle licenses	5,800,000	6,061,581	261,581	5,861,761
Bank franchise taxes	1,100,000	1,295,921	195,921	1,457,653
Taxes on recordation and wills	8,588,470	11,442,867	2,854,397	8,880,674
Hotel and motel room taxes	2,086,000	1,978,810	(107,190)	1,976,386
Total other local taxes	121,407,480	128,720,283	7,312,803	122,402,576
<u>Permits, privilege fees and regulatory licenses:</u>				
Animal licenses	371,923	408,082	36,159	374,277
Permits and other licenses	17,708,108	22,205,639	4,497,531	18,246,873
Total permits, privilege fees and regulatory licenses	18,080,031	22,613,721	4,533,690	18,621,150
<u>Fines and forfeitures:</u>				
Fines and forfeitures	2,691,894	2,746,066	54,172	2,729,647
Total fines and forfeitures	2,691,894	2,746,066	54,172	2,729,647
<u>Revenue from use of money and property:</u>				
Revenue from use of money	1,102,546	1,408,007	305,461	1,772,853
Revenue from use of property	2,446,841	1,597,285	(849,556)	2,388,077
Total revenue from use of money and property	3,549,387	3,005,292	(544,095)	4,160,930
<u>Charges for services:</u>				
Boards, Commissions and Committees	-	1,589	1,589	1,082
County Administrator	-	769	769	243
County Attorney	500	1,249	749	676
Treasurer	345,000	497,728	152,728	475,065
Commissioner of the Revenue	63,000	97,194	34,194	85,015
Clerk of the Circuit Court	920,000	1,092,432	172,432	886,208
Commonwealth's Attorney	-	9,943	9,943	11,221
Sheriff's Office	665,607	581,178	(84,429)	589,545
Management and Financial Services	-	647	647	72
Information Technology	-	437	437	-
General Services	2,670,000	2,423,863	(246,137)	2,647,128
Building and Development	46,250	28,284	(17,966)	33,419
Fire, Rescue and Emergency Management	-	1,314	1,314	1,472
Planning	1,800	39	(1,761)	227
Transportation and Capital Infrastructure	7,670,733	7,707,579	36,846	7,702,759
Mapping and Geographic Information	26,569	18,162	(8,407)	23,213
Animal Services	100,400	67,931	(32,469)	65,289
Health Services	9,800	3,076	(6,724)	1,448
Library	5,552	4,017	(1,535)	4,431
Community Corrections	22,000	51,423	29,423	7,217
Mental Health, Substance Abuse and Development Svcs	687,859	706,695	18,836	679,884
Parks, Recreation and Community Services	16,682,300	15,743,624	(938,676)	15,433,703
Total charges for services	29,917,370	29,039,173	(878,197)	28,649,317
<u>Miscellaneous revenue:</u>				
Gifts and donations	232,057	258,790	26,733	243,315
Miscellaneous revenue	374,692	485,704	111,012	327,277

COUNTY OF LOUDOUN, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Actual Amounts for 2012)

	2013		2012	
	Final Budget	Actual	Variance Positive (Negative)	Actual
Sales of fixed assets	-	-	-	639,062
Total miscellaneous revenue	606,749	744,494	137,745	1,209,654
<u>Recovered costs:</u>				
Recovered costs	8,026,399	7,299,736	(726,663)	8,699,221
Total recovered costs	8,026,399	7,299,736	(726,663)	8,699,221
Total from local sources	1,008,975,410	1,032,198,673	23,223,263	1,002,541,769
From the Commonwealth:				
<u>Non-categorical aid:</u>				
Motor vehicle carrier's taxes	4,000	4,553	553	7,261
Mobile home titling taxes	-	1,748	1,748	10,129
Taxes on deeds	2,327,900	2,389,238	61,338	1,977,392
Auto Daily Rental Tax	6,473,010	6,468,407	(4,603)	4,122,230
State Property Tax Reimbursement	48,071,000	48,070,701	(299)	48,070,701
State revenue reductions	(102,000)	-	102,000	-
Total non-categorical aid	56,773,910	56,934,647	160,737	54,187,713
<u>Shared expenses:</u>				
Commonwealth's Attorney	753,332	753,775	443	747,818
Sheriff's Office	12,432,388	11,930,026	(502,362)	10,364,351
Commissioner of Revenue	320,000	306,024	(13,976)	304,652
Treasurer	295,166	290,806	(4,360)	294,660
General Registrar	79,107	64,797	(14,310)	64,157
Electoral boards	15,127	12,426	(2,701)	96,482
Clerk of the Circuit Court	847,063	934,842	87,779	926,179
Total shared expenses	14,742,183	14,292,696	(449,487)	12,798,299
<u>Categorical aid:</u>				
Welfare/Family Services:				
Parks, Recreation and Community Services:				
Special transportation	12,712	12,711	(1)	10,833
Community based services	31,835	31,834	(1)	30,925
Home delivered meals	57,706	48,145	(9,561)	37,770
State match for Title III Older American's Act Program	6,844	6,843	(1)	5,832
Fan care	1,000	1,000	-	1,221
V4A Senior medicare patrol program	3,000	3,150	150	6,900
Total Parks, Recreation and Community Services	113,097	103,683	(9,414)	93,481
Family Services:				
VA promising practices program (VP3)	-	-	-	55,400
General relief assistance	-	-	-	(2,947)
Assistance living facility assessment	2,852	3,777	925	-
State Adoption Assistance	242,516	259,472	16,956	264,894
Adult Foster Care Assisted Living Facilities	136,918	103,967	(32,951)	108,367
Allocated Services S & O Auxiliary State Alloc Gen Relief	20,838	8,190	(12,648)	5,969
Family Access to Medicaid Insurance Services	10,242	2,835	(7,407)	2,893
Food stamp program	249,757	240,192	(9,565)	215,872
Temporary assistance to needy families	79,101	49,084	(30,017)	47,598
Low Income to home energy assistance	134,887	121,000	(13,887)	118,295
Social Services Block Grants	177,557	179,312	1,755	187,636
Child care and development	40,669	60,976	20,307	524,880
Family Preservation Support	2,796	5,466	2,670	5,053
Foster Care Title IV-E	85,035	92,666	7,631	81,157
Adoption assistance	241,348	242,272	924	219,034
Chafee Foster Care Independence Program	3,675	2,157	(1,518)	2,914
Medical Assistance Program	149,412	147,819	(1,593)	128,406
View Transitional - TANF	130,020	126,954	(3,066)	128,302
Social Services block grant- Special Need Adoption	144,876	154,435	9,559	134,257
Chafee education and training	1,487	1,429	(58)	1,875
Title IV-B Child welfare services	330	414	84	190
Respite care for foster families	2,336	2,343	7	669

COUNTY OF LOUDOUN, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Actual Amounts for 2012)

	2013		2012	
	Final Budget	Actual	Variance Positive (Negative)	Actual
Total Family Services	1,856,652	1,804,760	(51,892)	2,230,714
Total Welfare/Family Services	1,969,749	1,908,443	(61,306)	2,324,195
Parks and Recreation:				
Regional Organizations				
Local Government Challenge Grant	5,000	5,000	-	5,000
Total Regional Organization	5,000	5,000	-	5,000
Total Parks and Recreation	5,000	5,000	-	5,000
Total categorical aid	1,974,749	1,913,443	(61,306)	2,329,195
Other categorical aid:				
County Administration				
Civil War Cavalry Battles	-	-	-	197
Regional Community Recovery Funding	-	-	-	6,006
Total County Administrator	-	-	-	6,203
Commonwealth's Attorney:				
Virginia domestic violence victim fund	43,612	43,612	-	39,254
Total Commonwealth's Attorney	43,612	43,612	-	39,254
General Services				
Litter control	67,503	67,503	-	52,963
Total General services	67,503	67,503	-	52,963
Fire and Rescue:				
EMS motor vehicle registration	-	-	-	41,669
Fire Service-Insurance Fee	413,138	263,756	(149,382)	857,514
Public emergency assistance	-	-	-	770
Total Fire and Rescue	413,138	263,756	(149,382)	899,953
Transportation Services:				
State Transportation Efficiency Improvement Fund	325,000	325,000	-	280,092
Mini Grants	-	-	-	1,800
State formula assistance	1,593,484	1,593,484	-	1,312,913
State capital assistance	328,884	328,884	-	411,564
TMP Commuter Bus - State Highway Transportation Fund	1,629,937	1,004,981	(624,956)	966,497
Total Transportation Services	3,877,305	3,252,349	(624,956)	2,972,866
Library:				
Library Aids	182,706	182,706	-	177,736
Total library	182,706	182,706	-	177,736
Community Corrections:				
Community Corrections Program	635,973	604,262	(31,711)	596,603
Total Community Corrections	635,973	604,262	(31,711)	596,603
Mental Health, Substance Abuse and Development Svcs:				
Employment Services for Disabilities	51,782	62,739	10,957	71,390
Mental Health Pharmacy	529,111	529,111	-	348,540
RDAP medication management	-	-	-	20,421
Mental health law reform	611,897	611,897	-	246,421
Wounded warrior	-	-	-	94,365
SA Women	300	300	-	300
Substance Abuse state funds (unrestricted)	516,151	516,151	-	516,151
Mental Health State Funds (Unrestricted)	1,016,984	1,016,984	-	1,016,264
Development Services (DVS) State Funds (Unrestricted)	273,748	273,748	-	273,748
Mental health transformation	70,000	70,000	-	70,000
MR family support	-	-	-	10,310
NGRI	10,000	10,000	-	11,000
Mental Health juvenile detention	154,766	154,766	-	102,331
Development Service (DVS) children's family support	-	-	-	77

COUNTY OF LOUDOUN, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Actual Amounts for 2012)

	2013		Variance Positive (Negative)	2012
	Final Budget	Actual		Actual
SA SARPOS	49,059	49,059	-	49,059
Children's mental health	69,323	69,323	-	60,631
Discharge assistance project	253,039	253,039	-	253,039
Children and adolescents with SED	116,645	116,645	-	121,415
MR OBRA	5,010	5,010	-	2,777
Virginia tobacco settlement foundation	54,988	48,563	(6,425)	28,401
Mental health state children services	25,000	25,000	-	25,000
Regional discharge assistance project (RDAP)	265,369	264,907	(462)	299,005
Regional community recovery funding	92,535	92,535	-	44,969
Total Mental Health, Substance Abuse and Development Sv	4,165,707	4,169,777	4,070	3,665,614
Parks, Recreation and Community Services:				
Care coordination program	42,750	42,747	(3)	42,751
Total Parks, Recreation and Community Services	42,750	42,747	(3)	42,751
Family Services:				
JDC block grant	645,302	616,409	(28,893)	565,820
Juvenile confinement	145,706	138,934	(6,772)	137,595
Homeless solution grant	112,348	112,348	-	-
Homeless intervention programs	257,356	257,356	-	229,613
Emergency Shelter Grant	-	-	-	54,685
Total Family Services	1,160,712	1,125,047	(35,665)	987,713
Non Departmental				
VA land conservation foundation fund	-	17,978	17,978	-
Total Non Departmental	-	17,978	17,978	-
Total other categorical aid	10,589,406	9,769,737	(819,669)	9,441,656
Total from the Commonwealth	84,080,248	82,910,523	(1,169,725)	78,756,863
From the Federal government:				
<u>Payments in lieu of taxes:</u>				
Non-departmental:				
Federally owned entitlement lands	1,800	6,050	4,250	3,000
Total payments in lieu of taxes	1,800	6,050	4,250	3,000
<u>Categorical aid:</u>				
Welfare/Family Services:				
Parks, Recreation and Community Services:				
MFP rebalancing demonstration-Local contact agency	-	-	-	2,198
Programs for the aging-Title III-Part D	8,394	7,453	(941)	7,005
Programs for the aging-Title III-Part C	123,009	118,338	(4,671)	97,747
Programs for the aging-Title III-Part B	81,441	77,762	(3,679)	76,306
Medicare improvements for patients and providers	3,000	3,000	-	10,400
CMS research demo evaluations	22,235	24,311	2,076	25,083
Programs for the aging - Title III- G	915	815	(100)	934
Total Parks, Recreation and Community Services	238,994	231,679	(7,315)	219,673
Family Services:				
Temporary assistance to needy families	471,203	539,514	68,311	468,977
Fuel Assistance	32,527	35,958	3,431	33,470
State Children's Insurance Program	31,547	17,422	(14,125)	20,706
Juvenile accountability incentive	11,318	11,285	(33)	22,535
Food stamp program	780,712	906,646	125,934	1,101,226
Refugee and entrant assistance	54,097	39,325	(14,772)	21,309
Foster care assistance Title IV-E	724,624	788,008	63,384	800,045
Child care assistance	-	-	-	881,074
Discretionary grants	323,284	288,682	(34,602)	314,523
Child care and development	230,188	88,373	(141,815)	609,487
Family Preservation Support	32,193	43,155	10,962	39,889
Adoption assistance	276,343	301,666	25,323	283,882
Chafee Foster Care Independence Program	14,149	11,016	(3,133)	14,655
Medicaid assistance	505,991	558,222	52,231	658,285

COUNTY OF LOUDOUN, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Actual Amounts for 2012)

	2013		Variance Positive (Negative)	2012
	Final Budget	Actual		Actual
View Transitional (2309)	187,101	194,766	7,665	195,236
Social Services Block Grant	26,695	91,641	64,946	15,313
Chafee education and training	6,772	5,715	(1,057)	7,501
Child welfare services	1,891	2,382	491	1,382
Respite care for foster families	1,314	1,297	(17)	371
Total Family Services	3,711,949	3,925,073	213,124	5,489,866
Family Services - Stimulus:				
ARRA homeless prevention and rapid rehousing	-	-	-	51,008
Total Family Services - Stimulus	-	-	-	51,008
Total Welfare/Family Services	3,950,943	4,156,752	205,809	5,760,547
Total categorical aid	3,950,943	4,156,752	205,809	5,760,547
<u>Other categorical aid:</u>				
Boards, Commissions & Committees				
Voting access for individual with disabilities	-	20,200	20,200	48,190
Election reform payments made to State	-	-	-	46,125
Total Boards, Commission & Committees	-	20,200	20,200	94,315
Commonwealth's Attorney:				
Violence Against Women	23,241	23,241	-	28,854
Total Commonwealth's Attorney	23,241	23,241	-	28,854
Sheriff's Office:				
HIDTA	15,000	15,000	-	5,625
Highway Safety	24,500	24,500	-	-
State criminal alien assistance	129,000	129,000	-	187,270
Alcohol traffic safety	19,494	16,774	(2,720)	31,515
Edward Byrne-JAG	46,800	46,800	-	-
Total Sheriff's Office	234,794	232,074	(2,720)	224,410
Courts:				
HIDTA	-	-	-	11,118
Total Courts	-	-	-	11,118
Building and Development:				
Chesapeake bay program	34,535	34,535	-	16,713
Total Building and Development	34,535	34,535	-	16,713
Fire and Rescue:				
Emergency Management Performance Grants	19,042	319	(18,723)	229
SHSP bomb squad program	190,388	-	(190,388)	206,749
Public emergency assistance	-	-	-	5,252
Homeland security grant program	9,762	15,874	6,112	132,219
Homeland security equipment	100,916	100,916	-	85,775
Total Fire and Rescue	320,108	117,109	(202,999)	430,224
Transportation & Capital Infrastructure				
Highway planning & Construction (SAFETY-LU)	661,131	119,992	(541,139)	12,033
Highway planning & Construction	20,798	19,780	(1,018)	37,628
Total Transportation & Capital Infrastructure	681,929	139,772	(542,157)	49,661
Library Services				
Promotion of the humanities	83	83	-	-
Total Library Services	83	83	-	-
Mental Health, Substance Abuse and Development Svcs:				
Community development block grant	-	-	-	1,994
Prevention and treatment of drug abuse	388,571	388,571	-	390,170
Path	54,930	51,638	(3,292)	56,042
Community mental health services	374	-	(374)	11,984

COUNTY OF LOUDOUN, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Actual Amounts for 2012)

	2013		Variance Positive (Negative)	2012
	Final Budget	Actual		Actual
FBG/POMS	25,579	25,579	-	22,712
Total Mental Health, Substance Abuse and Dev. Svcs	469,454	465,788	(3,666)	482,902
Parks, Recreation and Community Services:				
National family caregiver support- Title III E	31,836	28,688	(3,148)	24,938
Nutrition Service Incentive Program	83,312	72,386	(10,926)	63,462
Total Parks, Recreation and Community Services	115,148	101,074	(14,074)	88,400
Family Services:				
USDA Meal Reimbursement	26,276	26,276	-	26,938
Community development block grant	-	-	-	(1,994)
Supportive Housing	170,815	170,723	(92)	169,825
CDBG Neighborhood stabilization program	36,902	22,552	(14,350)	45,912
Housing counseling assistance	-	-	-	10,084
Total Family Services	233,993	219,551	(14,442)	250,765
<u>Other categorical aid: Stimulus</u>				
Sheriff's Office:				
ARRA JAG grant	-	-	-	90,942
Total Sheriff's Office	-	-	-	90,942
Transportation & Capital Infrastructure:				
ARRA EECBG	22,330	21,430	(900)	1,167,825
Total Transportation & Capital Infrastructure	22,330	21,430	(900)	1,167,825
Total other categorical aid	2,135,615	1,374,857	(760,758)	2,936,129
Total from the Federal government	6,088,358	5,537,659	(550,699)	8,699,676
Total Revenues	1,099,144,016	1,120,646,855	21,502,839	1,089,998,308
EXPENDITURES				
<u>General government administration:</u>				
Legislative:				
Boards, Commissions and Committees	2,105,299	1,870,827	234,472	1,965,899
Office of the County Administrator	808,592	646,199	162,393	658,758
Total legislative	2,913,891	2,517,026	396,865	2,624,657
General and financial administration:				
County Administrator	1,710,778	1,687,603	23,175	1,685,061
County Attorney	3,001,369	2,850,000	151,369	3,031,375
Treasurer	4,301,126	4,183,136	117,990	3,840,337
Commissioner of Revenue	7,601,913	6,479,883	1,122,030	6,043,344
Management and Financial Services	11,603,820	9,827,468	1,776,352	9,255,049
Information Technology	21,349,062	19,290,670	2,058,392	20,340,790
General Services	3,143,644	2,884,823	258,821	3,010,554
Transportation & Capital Infrastructure	3,934,648	3,510,000	424,648	3,880,366
Nondepartmental	11,573,504	4,811,577	6,761,927	12,518,686
Total general and financial administration	68,219,864	55,525,160	12,694,704	63,605,562
Elections administration:				
General Registrar	1,792,747	1,469,831	322,916	1,620,196
General Services	344,791	345,766	(975)	336,611
Total elections administration	2,137,538	1,815,597	321,941	1,956,807
Total general government administration	73,271,293	59,857,783	13,413,510	68,187,026
<u>Judicial administration:</u>				
Courts:				
Clerk of the Circuit Court	3,727,076	3,550,295	176,781	3,371,858
Sheriff's Office	4,094,287	4,132,197	(37,910)	3,906,840
General Services	761,653	629,078	132,575	672,553
Courts (Circuit and District)	1,044,588	999,014	45,574	1,076,124
Total courts	9,627,604	9,310,584	317,020	9,027,375

COUNTY OF LOUDOUN, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Actual Amounts for 2012)

	2013		2012	
	Final Budget	Actual	Variance Positive (Negative)	Actual
Commonwealth's Attorney:				
Commonwealth's Attorney	3,200,063	3,082,242	117,821	3,021,665
General Services	21,851	21,864	(13)	18,987
Total Commonwealth's Attorney	<u>3,221,914</u>	<u>3,104,106</u>	<u>117,808</u>	<u>3,040,652</u>
Total judicial administration	12,849,518	12,414,690	434,828	12,068,027
Public safety:				
Law enforcement:				
Regional Organizations & Contributions	473,643	473,643	-	463,036
Sheriff's Office	51,700,409	49,327,168	2,373,241	46,553,777
General Services	2,504,069	2,462,274	41,795	2,366,767
Total law enforcement	<u>54,678,121</u>	<u>52,263,085</u>	<u>2,415,036</u>	<u>49,383,580</u>
Traffic control:				
Sheriff's Office	2,834,897	2,688,559	146,338	2,537,625
Total traffic control	<u>2,834,897</u>	<u>2,688,559</u>	<u>146,338</u>	<u>2,537,625</u>
Fire, rescue and emergency management:				
General Services	1,774,037	1,520,643	253,394	1,952,321
Fire, Rescue and Emergency Services	53,994,764	52,279,735	1,715,029	49,939,035
Total Fire, rescue and emergency management	<u>55,768,801</u>	<u>53,800,378</u>	<u>1,968,423</u>	<u>51,891,356</u>
Corrections and juvenile detention:				
Sheriff's Office	18,410,018	18,332,695	77,323	19,156,544
General Services	1,903,648	1,087,251	816,397	1,181,577
Regional Organizations & Contributions	514,318	513,459	859	516,544
Community Corrections	1,785,876	1,603,755	182,121	1,652,845
Juvenile Court Service Unit	2,007,848	1,922,099	85,749	1,762,031
Family Services	2,871,418	2,561,390	310,028	2,479,015
Total corrections and juvenile detention	<u>27,493,126</u>	<u>26,020,649</u>	<u>1,472,477</u>	<u>26,748,556</u>
Inspections:				
General Services	330,892	286,488	44,404	278,143
Building and Development	6,712,013	6,786,349	(74,336)	6,421,339
Total inspections	<u>7,042,905</u>	<u>7,072,837</u>	<u>(29,932)</u>	<u>6,699,482</u>
Other protection:				
Sheriff's Office	160,780	52,767	108,013	147,328
General Services	82,205	67,516	14,689	65,984
Fire, Rescue and Emergency Management	4,824,278	4,318,895	505,383	3,729,113
Animal Control	2,853,649	2,742,487	111,162	2,561,745
Total Other protection	<u>7,920,912</u>	<u>7,181,665</u>	<u>739,247</u>	<u>6,504,170</u>
Total public safety	<u>155,738,762</u>	<u>149,027,173</u>	<u>6,711,589</u>	<u>143,764,769</u>
Public works:				
Maintenance of highways, bridges and sidewalks:				
General Services	173,160	156,453	16,707	2,802,763
Total maint. of highways, streets, bridges & sidewalks	<u>173,160</u>	<u>156,453</u>	<u>16,707</u>	<u>2,802,763</u>
Construction and waste removal:				
General Services	7,183,050	6,036,626	1,146,424	53,862
Construction and Waste Management	22,330	21,430	900	5,912,041
Total construction and waste removal	<u>7,205,380</u>	<u>6,058,056</u>	<u>1,147,324</u>	<u>5,965,903</u>
Maintenance of general buildings and grounds:				
General Services	9,488,367	8,498,632	989,735	7,120,268
Total maintenance of general buildings and grounds	<u>9,488,367</u>	<u>8,498,632</u>	<u>989,735</u>	<u>7,120,268</u>
Total public works	<u>16,866,907</u>	<u>14,713,141</u>	<u>2,153,766</u>	<u>15,888,934</u>
Health and welfare:				
Health:				
Regional Organizations & Contributions	374,256	374,256	-	341,757

COUNTY OF LOUDOUN, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Actual Amounts for 2012)

	2013		2012	
	Final Budget	Actual	Variance Positive (Negative)	Actual
Health Services	4,469,213	4,159,520	309,693	3,988,747
Total health	4,843,469	4,533,776	309,693	4,330,504
Mental Health, Substance Abuse and Development Svcs:				
Regional Organizations & Contributions	15,000	15,000	-	15,000
General Services	2,033,275	1,925,289	107,986	2,008,956
Mental Health, Substance Abuse and Development Svcs	31,871,562	29,359,580	2,511,982	28,911,175
Total Mental Health, Substance Abuse and Dev. Svcs	33,919,837	31,299,869	2,619,968	30,935,131
Welfare/Family Services:				
Regional Organizations & Contributions	1,256,339	1,256,339	-	1,103,267
General Services	1,431,144	1,245,550	185,594	1,311,896
Parks, Recreation and Community Services	6,329,037	5,415,571	913,466	5,260,217
Family Services	20,560,568	19,271,314	1,289,254	19,817,450
Total welfare/family services	29,577,088	27,188,774	2,388,314	27,492,830
Total health and welfare	68,340,394	63,022,419	5,317,975	62,758,465
<u>Parks, recreation and culture:</u>				
Parks, Recreation and Community Services:				
Regional Organizations & Contributions	1,291,555	1,291,555	-	1,330,555
General Services	2,448,850	2,233,826	215,024	1,867,112
Parks, Recreation and Community Services	30,683,098	28,066,652	2,616,446	27,487,966
Total Parks, Recreation and Community Services	34,423,503	31,592,033	2,831,470	30,685,633
Cultural enrichment:				
Regional Organizations & Contributions	205,178	205,178	-	252,678
General Services	-	-	-	16,864
Total cultural enrichment	205,178	205,178	-	269,542
Library:				
General Services	704,356	594,231	110,125	525,031
Library Services	13,464,626	12,801,426	663,200	11,019,600
Total library	14,168,982	13,395,657	773,325	11,544,631
Total parks, recreation and culture	48,797,663	45,192,868	3,604,795	42,499,806
<u>Community development:</u>				
Planning and Community Development:				
County Administrator	1,001,344	807,868	193,476	742,154
Regional Organizations & Contributions	647,453	647,453	-	649,695
Building and Development	14,087,427	13,142,825	944,602	12,800,476
Planning	3,605,688	3,454,617	151,071	3,146,389
Economic Development	3,020,693	2,774,969	245,724	2,098,353
Transportation & Capital Infrastructure	2,375,773	1,591,769	784,004	1,291,914
Office of Mapping and Geographic Information	2,299,185	2,272,761	26,424	2,108,072
Total planning and community development	27,037,563	24,692,262	2,345,301	22,837,053
Environmental management:				
Regional Organizations & Contributions	617,352	620,218	(2,866)	768,062
General Services	257,488	370,344	(112,856)	47,077
Total environmental management	874,840	990,562	(115,722)	815,139
Cooperative extension program:				
General Services	84,756	82,615	2,141	82,663
Extension Services	413,895	326,677	87,218	508,193
Total cooperative extension program	498,651	409,292	89,359	590,856
Transit:				
Office of Transportation Services	13,035,374	12,386,812	648,562	11,485,795
Total transit	13,035,374	12,386,812	648,562	11,485,795
Total community development	41,446,428	38,478,928	2,967,500	35,728,843

COUNTY OF LOUDOUN, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Actual Amounts for 2012)

	2013		Variance Positive (Negative)	2012
	Final Budget	Actual		Actual
<u>Education:</u>				
Operation and maintenance services:				
General Services	-	-	-	2,339
Total operation and maintenance services	-	-	-	2,339
Community colleges:				
Regional Organizations & Contributions	581,309	581,309	-	473,015
Total community colleges	581,309	581,309	-	473,015
Total education	581,309	581,309	-	475,354
Total Expenditures	417,892,274	383,288,311	34,603,963	381,371,224
Excess of revenues over expenditures	681,251,742	737,358,544	56,106,802	708,627,084
Other financing sources (uses):				
Transfers-in	19,035,155	19,032,906	(2,249)	10,817,426
Transfers-out	(172,412,404)	(172,405,082)	7,322	(193,243,097)
Transfers from School Board	32,240	32,239	(1)	17,267,996
Transfers to School Board	(574,100,610)	(566,414,219)	7,686,391	(537,521,611)
Total other financing sources (uses)	(727,445,619)	(719,754,156)	7,691,463	(702,679,286)
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(46,193,877)	17,604,388	63,798,265	5,947,798
Fund balances at beginning of year	202,046,786	202,046,786	-	196,098,988
Fund balances at end of year	\$ 155,852,909	219,651,174	\$ 63,798,265	\$ 202,046,786

Nonmajor Governmental Funds

Nonmajor 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 (200-1201) - This fund is used to account for the proceeds from the Route 28 Transportation Taxing District that are legally restricted to expenditures for transportation in that district.

Aldie Sewer Service District Fund (202-1202) - This fund is used to account for the proceeds from the Aldie Sewer Service Taxing District that are legally restricted to expenditures for sewers in that district.

Comprehensive Services Act Fund (203-1203) - 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 (205-1204) - 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 (206-1205) - 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 (207-1206) - 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 (208-1207) - This fund is used to account for the proceeds from the Virginia Resources Authority that are legally restricted to expenditures for small water facility projects in the County.

Hamilton Sewer Service District Fund (209-1208) - This fund is used to account for the proceeds from the Hamilton Sewer Service Taxing District that are legally restricted to expenditures for sewers in that district.

Community Development Authority Fund (210-1209) - 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 (213-1210) - 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 (214-1211) - 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 (215-1212) - This fund is used to account for the proceeds from the Greenlea Tax District within the Blue Ridge magisterial that are legally restricted to expenditures for the replacement of the damaged bridge on Crooked Bridge Road. The district consists of 19 properties and the assessment is allocated equally among 19 properties in the community and is intended to generate \$660,575.18 in revenue over 15 years at six percent (6%) interest per year.

State/Federal Grant Fund (216-1213) - This fund is used to account for all competitive State and Federal grants received by the County and the fund is restricted accordingly.

Sheriff's Fund (701-1216) - 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 (706-1217) - 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 (707-1218) - 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 (709-1219) - This fund is used to account for monies collected as local gas sales tax, restricted to use for transportation purposes. For Fiscal Year 2011, the Public Transportation Fund (220), which is used to account for the County's share of construction costs associated with Phases II and III of the Dulles Transit Project, is combined with this fund.

Uran Holocaust Fund (716-1220) - 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.

Rt 15 Bypass Beautification Fund (717-1221) - This fund is used to account for monies provided by private donors and other miscellaneous sources, restricted to use for the planting of trees on the Route 15 bypass.

Horton Program For The Arts Fund (719-1222) - 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 (720-1223) - 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.

Capital Funds

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

Capital Projects Fund (300-1310) - This fund is used to account for the purchase and/or construction of major capital facilities, including buildings, land, major equipment, and other long-lived improvements for the general government. Financing is provided primarily by bond issues, State and Federal grants, and transfers from the General Fund.

Capital Asset Preservation Fund (301-1320) - 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.

Capital Projects Financing Fund (302-1330) - This fund is a pass-through fund that is used to account for the issuance of general obligation bonds and transfer to the appropriate capital projects.

Debt Service Funds

Debt Service Fund (400-1410) - 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
OTHER GOVERNMENTAL FUNDS
AS OF JUNE 30, 2013**

	Special Revenue Funds						
	Route 28 Special Improv.	Aldie Sewer Service District	Comprehensive Services Act	Legal Resource Center	Federally Forfeited Property	Hotel and Motel Room Tax	County-Wide Sewer Service District
ASSETS							
Cash and Cash Equivalents	\$ 1,530,729	\$ -	\$ 3,845,017	\$ 26,019	\$ 162,790	\$ 1,175,112	\$ 8,141
Restricted Cash and Investments	-	-	-	-	-	-	-
Receivables, Net:							
Taxes	118,725	-	-	-	-	940,742	-
Accounts	-	-	(16)	-	-	-	-
Due from Other Governments	-	-	1,135,807	-	-	-	-
Inventory	-	-	-	-	-	-	-
Prepaid Items	-	-	-	-	15,018	-	-
Notes and Loans Receivable, Net	-	-	-	-	-	-	5,625
Total Assets	<u>\$ 1,649,454</u>	<u>\$ -</u>	<u>\$ 4,980,808</u>	<u>\$ 26,019</u>	<u>\$ 177,808</u>	<u>\$ 2,115,854</u>	<u>\$ 13,766</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	1,424,062	-	574,163	6,735	-	-	-
Prepaid Revenue	106,667	-	-	-	-	-	-
Property Taxes	118,725	-	-	-	-	-	-
Other	-	-	137,228	-	137,624	-	-
Due to Other Funds	-	462	-	-	-	-	-
Other Liabilities	-	-	-	-	-	-	-
Total Liabilities	<u>1,649,454</u>	<u>462</u>	<u>711,391</u>	<u>6,735</u>	<u>137,624</u>	<u>-</u>	<u>-</u>
Fund Balances:							
Non-spendable	-	-	-	-	15,018	-	5,625
Restricted	-	-	-	-	25,166	1,304,718	8,141
Committed	-	-	4,269,417	19,284	-	296,845	-
Assigned	-	-	-	-	-	514,291	-
Unassigned	-	(462)	-	-	-	-	-
Total Fund Balances	<u>-</u>	<u>(462)</u>	<u>4,269,417</u>	<u>19,284</u>	<u>40,184</u>	<u>2,115,854</u>	<u>13,766</u>
Total Liabilities and Fund Balances	<u>\$ 1,649,454</u>	<u>\$ -</u>	<u>\$ 4,980,808</u>	<u>\$ 26,019</u>	<u>\$ 177,808</u>	<u>\$ 2,115,854</u>	<u>\$ 13,766</u>

Hamilton Sewer Service District	Community Devel. Authority	Rental Assistance Program	Dulles Industrial Park W&S	Greenlea Tax District	State Federal Grant	Sheriff's
\$ 331,050	\$ 1,414,038	\$ 1,150,196	\$ 74,219	\$ 22,065	\$ -	\$ 60,808
-	-	-	-	-	-	-
6,567	-	-	640	-	-	-
-	-	22,996	-	-	626,076	-
-	-	637,676	-	-	12,981	-
-	-	-	-	-	145,673	-
\$ 337,617	\$ 1,414,038	\$ 1,810,868	\$ 74,859	\$ 22,065	\$ 784,730	\$ 60,808
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
57,764	1,414,038	12,929	73,374	22,065	72,186	-
-	-	-	845	-	-	-
6,567	-	-	640	-	-	-
-	-	1,548,023	-	-	514,071	-
-	-	-	-	-	39,468	-
-	-	249,916	-	-	-	-
64,331	1,414,038	1,810,868	74,859	22,065	625,725	-
-	-	637,676	-	-	158,654	-
-	-	-	-	-	351	60,808
273,286	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	(637,676)	-	-	-	-
273,286	-	-	-	-	159,005	60,808
\$ 337,617	\$ 1,414,038	\$ 1,810,868	\$ 74,859	\$ 22,065	\$ 784,730	\$ 60,808

**COUNTY OF LOUDOUN, VIRGINIA
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
AS OF JUNE 30, 2013**

	Special Revenue Funds						
	Animal Shelter	Housing	Transportation District	Uran Holocaust	Rt 15 Bypass Beautification	Horton Program For the Arts	Symington
ASSETS							
Cash and Cash Equivalents	\$ 239,762	\$ 20,856,720	\$ 3,360,089	\$ 263,049	\$ 7,452	\$ 17,742	\$ 4,075,338
Restricted Cash and Investments	-	-	20,122,473	-	-	-	-
Receivables, Net:							
Taxes	-	-	58,729	-	-	-	-
Accounts	189	-	-	-	-	-	54,330
Due from Other Governments	-	-	1,916,139	-	-	-	-
Property held for resale	-	157,456	-	-	-	-	-
Prepaid Items	-	-	-	-	-	900	6,212
Notes and Loans Receivable, Net	-	1,155,850	-	-	-	-	-
Total Assets	<u>\$ 239,951</u>	<u>\$ 22,170,026</u>	<u>\$ 25,457,430</u>	<u>\$ 263,049</u>	<u>\$ 7,452</u>	<u>\$ 18,642</u>	<u>\$ 4,135,880</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	47,134	-	-	-	-
Prepaid Revenue	-	-	23,467	-	-	-	-
Property Taxes	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-
Other Liabilities	-	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>70,601</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:							
Non-spendable	-	1,313,306	-	-	-	900	6,212
Restricted	239,951	20,856,720	19,656,829	263,049	7,452	17,742	4,129,668
Committed	-	-	-	-	-	-	-
Assigned	-	-	5,730,000	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total Fund Balances	<u>239,951</u>	<u>22,170,026</u>	<u>25,386,829</u>	<u>263,049</u>	<u>7,452</u>	<u>18,642</u>	<u>4,135,880</u>
Total Liabilities and Fund Balances	<u>\$ 239,951</u>	<u>\$ 22,170,026</u>	<u>\$ 25,457,430</u>	<u>\$ 263,049</u>	<u>\$ 7,452</u>	<u>\$ 18,642</u>	<u>\$ 4,135,880</u>

Capital Funds		Total Other Governmental Funds
Capital Asset Preservation	Capital Project Financing	
\$ 4,937,523	\$ -	\$ 43,557,859
52,434	-	20,174,907
-	-	1,125,403
-	-	54,503
-	-	3,701,018
-	-	157,456
237,138	-	909,925
-	-	1,307,148
<u>\$ 5,227,095</u>	<u>\$ -</u>	<u>\$ 70,988,219</u>
\$ 33,344	\$ -	\$ 33,344
401,292	-	4,105,742
-	-	130,979
-	-	125,932
-	-	2,336,946
-	-	39,930
-	-	249,916
<u>434,636</u>	<u>-</u>	<u>7,022,789</u>
237,138	-	2,374,529
929,544	-	47,500,139
3,618,775	-	8,477,607
7,002	-	6,251,293
-	-	(638,138)
<u>4,792,459</u>	<u>-</u>	<u>63,965,430</u>
<u>\$ 5,227,095</u>	<u>\$ -</u>	<u>\$ 70,988,219</u>

COUNTY OF LOUDOUN, VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
OTHER GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Special Revenue Funds						
	Route 28 Special Improvements	Aldie Sewer Service District	Comprehensive Services Act	Legal Resource Center	Federally Forfeited Property	Hotel and Motel Room Tax	County-Wide Sewer Service District
REVENUES							
General Property Taxes	\$ 8,951,608	\$ 6,801	\$ -	\$ -	\$ -	\$ -	\$ -
Other Local Taxes	-	-	-	-	-	2,968,452	-
Permits and Licenses	-	-	-	-	-	-	-
Use of Money and Property	-	-	-	-	60	-	186
Charges for Services	-	-	-	51,058	-	-	-
Gifts and Donations	-	-	-	11,695	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Recovered Costs	-	-	403,133	-	43,892	-	154
Intergovernmental - Commonwealth	-	-	2,405,176	-	-	-	-
Intergovernmental - Federal	-	-	-	-	27,190	-	-
Total Revenues	8,951,608	6,801	2,808,309	62,753	71,142	2,968,452	340
EXPENDITURES							
Current Operating:							
Judicial Administration	-	-	-	100,705	8,911	-	-
Public Safety	-	-	-	-	60,472	-	-
Public Works	8,951,608	109,908	-	-	-	-	-
Health and Welfare	-	-	5,751,525	-	-	-	-
Parks, Recreation and Culture	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	3,055,500	-
Education	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Total Expenditures	8,951,608	109,908	5,751,525	100,705	69,383	3,055,500	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(103,107)	(2,943,216)	(37,952)	1,759	(87,048)	340
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	4,371,542	-	-	1,139,807	-
Transfers Out	-	-	(183,000)	-	-	(1,141,131)	-
Bond and Loan Proceeds	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	4,188,542	-	-	(1,324)	-
Net Change in Fund Balances	-	(103,107)	1,245,326	(37,952)	1,759	(88,372)	340
Fund Balances at Beginning of Year	-	102,645	3,024,091	57,236	38,425	2,204,226	13,426
Fund Balances at End of Year	\$ -	\$ (462)	\$ 4,269,417	\$ 19,284	\$ 40,184	\$ 2,115,854	\$ 13,766

Hamilton Sewer Service District	Community Development Authority	Rental Assistance Program	Dulles Industrial Park W&S	Greenlea Tax District	State Federal Grant	Sheriff's
\$ 115,184	\$ 3,076,519	\$ -	\$ 151,153	\$ 44,085	\$ -	\$ -
-	-	-	-	-	-	-
-	-	106,182	-	-	-	-
-	-	-	-	-	-	41,425
-	-	12,690	-	-	-	7,500
-	-	548,254	-	-	16,997	-
-	-	-	-	-	1,424,984	-
-	-	8,150,526	-	-	2,570,601	-
115,184	3,076,519	8,817,652	151,153	44,085	4,012,582	48,925
-	-	-	-	-	110,461	-
-	-	-	-	-	1,448,462	21,619
203,349	-	-	151,153	44,085	-	-
-	-	8,863,434	-	-	1,879,128	-
-	-	-	-	-	-	-
-	3,076,519	-	-	-	591,540	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
203,349	3,076,519	8,863,434	151,153	44,085	4,029,591	21,619
(88,165)	-	(45,782)	-	-	(17,009)	27,306
88,000	-	45,782	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
88,000	-	45,782	-	-	-	-
(165)	-	-	-	-	(17,009)	27,306
273,451	-	-	-	-	176,014	33,502
\$ 273,286	\$ -	\$ -	\$ -	\$ -	\$ 159,005	\$ 60,808

COUNTY OF LOUDOUN, VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
OTHER GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Special Revenue Funds						
	Animal Shelter	Housing	Transportation District	Uran Holocaust	Rt 15 Bypass Beautification	Horton Program For the Arts	Symington
REVENUES							
General Property Taxes	\$ -	\$ -	\$ 2,459,584	\$ -	\$ -	\$ -	\$ -
Other Local Taxes	-	-	11,519,116	-	-	-	-
Permits and Licenses	-	-	-	-	-	-	-
Use of Money and Property	386	24,801	29,192	444	12	29	49,740
Charges for Services	-	-	-	-	-	-	-
Gifts and Donations	33,234	7,512,652	-	-	-	1,000	-
Miscellaneous	-	1,300	-	-	-	-	-
Recovered Costs	-	52	-	-	-	-	-
Intergovernmental - Commonwealth	10,391	-	-	-	-	-	-
Intergovernmental - Federal	-	-	-	-	-	-	-
Total Revenues	44,011	7,538,805	14,007,892	444	12	1,029	49,740
EXPENDITURES							
Current Operating:							
Judicial Administration	-	-	-	-	-	-	-
Public Safety	7,875	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-
Health and Welfare	-	24,750	-	-	-	-	-
Parks, Recreation and Culture	-	-	-	49,316	-	700	108,978
Community Development	-	-	3,681,570	-	-	-	-
Education	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Total Expenditures	7,875	24,750	3,681,570	49,316	-	700	108,978
Excess (Deficiency) of Revenues Over (Under) Expenditures	36,136	7,514,055	10,326,322	(48,872)	12	329	(59,238)
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	25,315	-	-	-	-
Transfers Out	(15,440)	-	(5,960,364)	-	-	-	-
Bond and Loan Proceeds	-	-	-	-	-	-	-
Total Other Financing Sources (uses)	(15,440)	-	(5,935,049)	-	-	-	-
Net Change in Fund Balances	20,696	7,514,055	4,391,273	(48,872)	12	329	(59,238)
Fund Balances at Beginning of Year	219,255	14,655,971	20,995,556	311,921	7,440	18,313	4,195,118
Fund Balances at End of Year	\$ 239,951	\$ 22,170,026	\$ 25,386,829	\$ 263,049	\$ 7,452	\$ 18,642	\$ 4,135,880

Capital Funds		Total
Capital Asset Preservation	Capital Projects Financing	Other Governmental Funds
\$ -	\$ -	\$ 14,804,934
92,203	-	14,579,771
825	-	825
-	-	211,032
-	-	51,058
-	-	7,600,006
-	-	21,490
178,960	-	1,191,442
-	-	3,840,551
-	-	10,748,317
<u>271,988</u>	<u>-</u>	<u>53,049,426</u>
-	-	220,077
-	-	1,538,428
4,635,812	-	14,095,915
-	-	16,518,837
-	-	158,994
-	-	10,405,129
-	113,365,574	113,365,574
2,187,392	-	2,187,392
<u>6,823,204</u>	<u>113,365,574</u>	<u>158,490,346</u>
<u>(6,551,216)</u>	<u>(113,365,574)</u>	<u>(105,440,920)</u>
3,096,479	-	8,766,925
-	(6,624,426)	(13,924,361)
-	119,990,000	119,990,000
<u>3,096,479</u>	<u>113,365,574</u>	<u>114,832,564</u>
(3,454,737)	-	9,391,644
8,247,196	-	54,573,786
<u>\$ 4,792,459</u>	<u>\$ -</u>	<u>\$ 63,965,430</u>

**COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
ROUTE 28 SPECIAL IMPROVEMENTS FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (Inflows)			
General Property Taxes	\$ 9,289,000	\$ 8,951,608	\$ (337,392)
Amounts Available for Appropriation	<u>9,289,000</u>	<u>8,951,608</u>	<u>(337,392)</u>
Charges to Appropriations (Outflows)			
Public Works	9,289,000	8,951,608	337,392
Total Charges to Appropriations	<u>9,289,000</u>	<u>8,951,608</u>	<u>337,392</u>
Excess (Deficiency) 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
ALDIE SEWER SERVICE DISTRICT FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (Inflows)			
General Property Taxes	\$ 7,212	\$ 6,801	\$ (411)
Amounts Available for Appropriation	<u>7,212</u>	<u>6,801</u>	<u>(411)</u>
Charges to Appropriations (Outflows)			
Public Works	109,906	109,908	(2)
Total Charges to Appropriations	<u>109,906</u>	<u>109,908</u>	<u>(2)</u>
Excess (Deficiency) of Resources Over			
Charges to Appropriations	(102,694)	(103,107)	(413)
Fund Balance at Beginning of Year	102,645	102,645	-
Fund Balance at End of Year	<u>\$ (49)</u>	<u>\$ (462)</u>	<u>\$ (413)</u>

**COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
COMPREHENSIVE SERVICES ACT FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (Inflows)			
Recovered Costs	\$ 1,140,000	\$ 403,133	\$ (736,867)
Intergovernmental - Commonwealth	3,882,407	2,405,176	(1,477,231)
Transfers from Other Funds	4,371,542	4,371,542	-
Amounts Available for Appropriation	<u>9,393,949</u>	<u>7,179,851</u>	<u>(2,214,098)</u>
Charges to Appropriations (Outflows)			
Health and Welfare	9,210,949	5,751,525	3,459,424
Transfers to Other Funds	183,000	183,000	-
Total Charges to Appropriations	<u>9,393,949</u>	<u>5,934,525</u>	<u>3,459,424</u>
Excess (Deficiency) of Resources Over			
Charges to Appropriations	-	1,245,326	1,245,326
Fund Balance at Beginning of Year	3,024,091	3,024,091	-
Fund Balance at End of Year	<u>\$ 3,024,091</u>	<u>\$ 4,269,417</u>	<u>\$ 1,245,326</u>

**COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
LEGAL RESOURCES CENTER FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (Inflows)			
Charges for Services	\$ 41,869	\$ 51,058	\$ 9,189
Gifts and Donations	11,695	11,695	-
Intergovernmental - Commonwealth	42,823	-	(42,823)
Amounts Available for Appropriation	<u>96,387</u>	<u>62,753</u>	<u>(33,634)</u>
Charges to Appropriations (Outflows)			
Judicial Administration	96,387	100,705	(4,318)
Total Charges to Appropriations	<u>96,387</u>	<u>100,705</u>	<u>(4,318)</u>
Excess (Deficiency) of Resources Over			
Charges to Appropriations	-	(37,952)	(37,952)
Fund Balance at Beginning of Year	57,236	57,236	-
Fund Balance at End of Year	<u>\$ 57,236</u>	<u>\$ 19,284</u>	<u>\$ (37,952)</u>

**COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
HOTEL AND MOTEL ROOM TAX FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (Inflows)			
Other Local Taxes	\$ 3,130,000	\$ 2,968,214	\$ (161,786)
Business license taxes	-	238	238
Transfers from Other Funds	2,706,439	1,139,807	(1,566,632)
Amounts Available for Appropriation	<u>5,836,439</u>	<u>4,108,259</u>	<u>(1,728,180)</u>
Charges to Appropriations (Outflows)			
Community Development	4,695,308	3,055,500	1,639,808
Transfers to Other Funds	1,141,131	1,141,131	-
Total Charges to Appropriations	<u>5,836,439</u>	<u>4,196,631</u>	<u>1,639,808</u>
Excess (Deficiency) of Resources Over			
Charges to Appropriations	-	(88,372)	(88,372)
Fund Balance at Beginning of Year	2,204,226	2,204,226	-
Fund Balance at End of Year	<u>\$ 2,204,226</u>	<u>\$ 2,115,854</u>	<u>\$ (88,372)</u>

**COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
HAMILTON SEWER SERVICE DISTRICT FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (Inflows)			
General Property Taxes	\$ 118,000	\$ 115,184	\$ (2,816)
Transfers from Other Funds	88,000	88,000	-
Amounts Available for Appropriation	<u>206,000</u>	<u>203,184</u>	<u>(2,816)</u>
Charges to Appropriations (Outflows)			
Public Works	206,000	203,349	2,651
Total Charges to Appropriations	<u>206,000</u>	<u>203,349</u>	<u>2,651</u>
Excess (Deficiency) of Resources Over			
Charges to Appropriations	-	(165)	(165)
Fund Balance at Beginning of Year	273,451	273,451	-
Fund Balance at End of Year	<u>\$ 273,451</u>	<u>\$ 273,286</u>	<u>\$ (165)</u>

**COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
RENTAL ASSISTANCE PROGRAM FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (Inflows)			
Use of Money and Property	\$ 106,200	\$ 106,182	\$ (18)
Miscellaneous	15,000	12,690	(2,310)
Recovered Costs	757,070	548,254	(208,816)
Intergovernmental - Federal	8,603,724	8,150,526	(453,198)
Transfers from Other Funds	45,782	45,782	-
Amounts Available for Appropriation	<u>9,527,776</u>	<u>8,863,434</u>	<u>(664,342)</u>
Charges to Appropriations (Outflows)			
Health and Welfare	9,527,776	8,863,434	664,342
Total Charges to Appropriations	<u>9,527,776</u>	<u>8,863,434</u>	<u>664,342</u>
Excess (Deficiency) 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, 2013**

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (Inflows)			
General Property Taxes	\$ 151,469	\$ 151,153	\$ (316)
Amounts Available for Appropriation	<u>151,469</u>	<u>151,153</u>	<u>(316)</u>
Charges to Appropriations (Outflows)			
Public Works	151,469	151,153	316
Total Charges to Appropriations	<u>151,469</u>	<u>151,153</u>	<u>316</u>
Excess (Deficiency) 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, 2013**

	<u>Final Budgeted Amount</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
Resources (Inflows)			
General Property Taxes	\$ 44,038	\$ 44,085	\$ 47
Amounts Available for Appropriation	<u>44,038</u>	<u>44,085</u>	<u>47</u>
Charges to Appropriations (Outflows)			
Public Works	44,038	44,085	(47)
Total Charges to Appropriations	<u>44,038</u>	<u>44,085</u>	<u>(47)</u>
Excess (Deficiency) 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
TRANSPORTATION DISTRICT FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Final Budgeted Amount</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
Resources (Inflows)			
General Property Taxes	\$ -	\$ 2,459,584	\$ 2,459,584
Other Local Taxes	10,325,340	11,519,116	1,193,776
Use of Money and Property	15,000	29,192	14,192
Intergovernmental - Commonwealth	19,348	-	(19,348)
Transfers from Other Funds	2,336,497	25,315	(2,311,182)
Amounts Available for Appropriation	<u>12,696,185</u>	<u>14,033,207</u>	<u>1,337,022</u>
Charges to Appropriations (Outflows)			
Community Development	6,718,067	3,681,570	3,036,497
Transfers to Other Funds	5,978,118	5,960,364	17,754
Total Charges to Appropriations	<u>12,696,185</u>	<u>9,641,934</u>	<u>3,054,251</u>
Excess (Deficiency) of Resources Over			
Charges to Appropriations	-	4,391,273	4,391,273
Fund Balance at Beginning of Year	20,995,556	20,995,556	-
Fund Balance at End of Year	<u>\$ 20,995,556</u>	<u>\$ 25,386,829</u>	<u>\$ 4,391,273</u>

**COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Budget Authorization</u>
REVENUES				
Other Local Taxes	\$ 2,293,829	\$ 679,828	\$ 2,973,657	\$ 2,969,479
Use of Money and Property	119,783	2,007	121,790	118,082
Charges for Services	17,162,024	2,999,266	20,161,290	16,167,352
Gifts and Donations	315,161	262,519	577,680	815,161
Miscellaneous	126,031	354,795	480,826	131,569
Recovered Costs	705,455	100,000	805,455	705,454
Intergovernmental - Commonwealth	5,209,446	1,098,516	6,307,962	76,490,833
Intergovernmental - Federal	5,703,218	75,675	5,778,893	7,454,607
Total Revenues	<u>31,634,947</u>	<u>5,572,606</u>	<u>37,207,553</u>	<u>104,852,537</u>
EXPENDITURES				
Public Works	93,284,505	18,849,480	112,133,985	589,848,567
Education	5,368,204	-	5,368,204	5,368,204
Capital Outlay	207,406,396	62,588,995	269,995,391	332,418,639
Total Expenditures	<u>306,059,105</u>	<u>81,438,475</u>	<u>387,497,580</u>	<u>927,635,410</u>
Deficiency of Revenues Under Expenditures	<u>(274,424,158)</u>	<u>(75,865,869)</u>	<u>(350,290,027)</u>	<u>(822,782,873)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	492,738,326	40,222,486	532,960,812	840,400,200
Transfers Out	(18,305,306)	(13,245,494)	(31,550,800)	(29,624,098)
Lease/Purchase Financing	11,657,596	-	11,657,596	11,657,596
Sales of Capital Assets	349,175	-	349,175	349,175
Total Other Financing Sources (Uses)	<u>486,439,791</u>	<u>26,976,992</u>	<u>513,416,783</u>	<u>822,782,873</u>
Net Change in Fund Balances	<u>\$ 212,015,633</u>	<u>(48,888,877)</u>	<u>\$ 163,126,756</u>	<u>\$ -</u>
Fund Balance at Beginning of Year		212,015,633		
Fund Balance at End of Year		<u>\$ 163,126,756</u>		

**COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
CAPITAL ASSET PRESERVATION PROGRAM FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	Prior Years	Current Year	Total to Date	Budget Authorization
REVENUES				
Other Local Taxes	\$ 1,381,447	\$ 92,203	\$ 1,473,650	\$ 1,638,603
Permits and Licenses	1,064	825	1,889	974
Recovered Costs	2,290,270	178,960	2,469,230	2,469,230
Total Revenues	<u>3,672,781</u>	<u>271,988</u>	<u>3,944,769</u>	<u>4,108,807</u>
EXPENDITURES				
Public Works	13,880,389	4,635,812	18,516,201	21,040,047
Capital Outlay	35,034,861	2,187,392	37,222,253	39,654,904
Total Expenditures	<u>48,915,250</u>	<u>6,823,204</u>	<u>55,738,454</u>	<u>60,694,951</u>
Deficiency of Revenues Under Expenditures	<u>(45,242,469)</u>	<u>(6,551,216)</u>	<u>(51,793,685)</u>	<u>(56,586,144)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	53,701,455	3,096,479	56,797,934	56,797,934
Transfers Out	(211,790)	-	(211,790)	(211,790)
Total Other Financing Sources (Uses)	<u>53,489,665</u>	<u>3,096,479</u>	<u>56,586,144</u>	<u>56,586,144</u>
Net Change in Fund Balances	<u>\$ 8,247,196</u>	<u>(3,454,737)</u>	<u>\$ 4,792,459</u>	<u>\$ -</u>
Fund Balance at Beginning of Year		8,247,196		
Fund Balance at End of Year		<u>\$ 4,792,459</u>		

**COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FINANCING FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (Inflows)			
Issuance of Bonds	\$ 191,068,817	\$ 119,990,000	\$ (71,078,817)
Lease Purchase Financing	71,808,000	-	(71,808,000)
Amounts Available for Appropriation	<u>262,876,817</u>	<u>119,990,000</u>	<u>(142,886,817)</u>
Charges to Appropriations (Outflows)			
Education and Transfers to School Board	187,315,628	113,365,574	73,950,054
Transfers to Other Funds	75,561,189	6,624,426	68,936,763
Total Charges to Appropriations	<u>262,876,817</u>	<u>119,990,000</u>	<u>142,886,817</u>
Excess (Deficiency) 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
DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (Inflows)			
Use of Money and Property	\$ 300,000	\$ 365,310	\$ 65,310
Miscellaneous revenue	1,316,732	1,487,180	170,448
Transfers from Other Funds	117,060,713	144,279,102	27,218,389
Payment from Component Units	28,174,303	28,174,303	-
Issuance Premium	15,166,202	17,227,036	2,060,834
Premium on Refunded Bonds	-	11,671,077	11,671,077
Issuance of Refunded Bonds	-	127,155,000	127,155,000
Amounts Available for Appropriation	<u>162,017,950</u>	<u>330,359,008</u>	<u>168,341,058</u>
Charges to Appropriations (Outflows)			
Debt Service	146,766,648	144,726,879	2,039,769
Transfers to Other Funds	1,083,113	1,083,113	-
Payment to Component Units	14,168,189	14,168,189	-
Payments to Refunded Bond Escrow Agent	-	138,064,231	(138,064,231)
Total Charges to Appropriations	<u>162,017,950</u>	<u>298,042,412</u>	<u>(136,024,462)</u>
Excess of Resources Over Charges to Appropriations	-	32,316,596	32,316,596
Fund Balance at Beginning of Year	<u>29,093,927</u>	<u>29,093,927</u>	-
Fund Balance at End of Year	<u>\$ 29,093,927</u>	<u>\$ 61,410,523</u>	<u>\$ 32,316,596</u>



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Proprietary Funds

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 (600-2610:2614) - 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 (601-2660) - 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 ASSETS
AS OF JUNE 30, 2013

	Central Service Funds						Total
	Duplicating	Telephone	Mail	Support	Vehicle Replacement	Self Insurance	
ASSETS							
Current Assets:							
Cash and Cash Equivalents	\$ 214,317	\$ 2,385,939	\$ 28,473	\$ 102,950	\$ 29,203,477	\$ 17,850,245	\$ 49,785,401
Restricted Cash and investments	-	-	-	-	-	1,169,000	1,169,000
Receivables, Net	1,024	13,190	88	-	-	81,040	95,342
Inventory	-	-	100,235	10,243	-	-	110,478
Prepaid Items	-	-	-	-	528,465	-	528,465
Total Current Assets	<u>215,341</u>	<u>2,399,129</u>	<u>128,796</u>	<u>113,193</u>	<u>29,731,942</u>	<u>19,100,285</u>	<u>51,688,686</u>
Noncurrent Assets:							
Capital Assets:							
Non-depreciable	-	-	-	-	1,172,517	-	1,172,517
Depreciable, Net	-	756,851	16,442	-	25,766,227	-	26,539,520
Total Noncurrent Assets	<u>-</u>	<u>756,851</u>	<u>16,442</u>	<u>-</u>	<u>26,938,744</u>	<u>-</u>	<u>27,712,037</u>
Total Assets	<u>\$ 215,341</u>	<u>\$ 3,155,980</u>	<u>\$ 145,238</u>	<u>\$ 113,193</u>	<u>\$ 56,670,686</u>	<u>\$ 19,100,285</u>	<u>\$ 79,400,723</u>
LIABILITIES							
Current Liabilities:							
Claims Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,952,645	\$ 5,952,645
Accrued Liabilities	87,109	76,946	6,523	19,909	25,420	1,385,708	1,601,615
Total Current Liabilities	<u>87,109</u>	<u>76,946</u>	<u>6,523</u>	<u>19,909</u>	<u>25,420</u>	<u>7,338,353</u>	<u>7,554,260</u>
Noncurrent Liabilities:							
Claims Liabilities	-	-	-	-	-	3,014,934	3,014,934
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,014,934</u>	<u>3,014,934</u>
Total Liabilities	<u>\$ 87,109</u>	<u>\$ 76,946</u>	<u>\$ 6,523</u>	<u>\$ 19,909</u>	<u>\$ 25,420</u>	<u>\$ 10,353,287</u>	<u>\$ 10,569,194</u>
NET ASSETS							
Net Investment in							
Capital Assets	\$ -	\$ 756,851	\$ 16,442	\$ -	\$ 26,938,744	\$ -	\$ 27,712,037
Unrestricted	128,232	2,322,183	122,273	93,284	29,706,522	8,746,998	41,119,492
Total Net Position	<u>\$ 128,232</u>	<u>\$ 3,079,034</u>	<u>\$ 138,715</u>	<u>\$ 93,284</u>	<u>\$ 56,645,266</u>	<u>\$ 8,746,998</u>	<u>\$ 68,831,529</u>

COUNTY OF LOUDOUN, VIRGINIA
STATEMENT OF CHANGES IN PROPRIETARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2013

	Central Service Funds						Total
	Duplicating	Telephone	Mail	Support	Vehicle Replacement	Self Insurance	
Operating Revenues:							
Charges for services	\$ 1,055,509	\$ 1,632,902	\$ 695,634	\$ 904,168	\$ 7,234,303	\$ 40,829,952	\$ 52,352,468
Use of property	19,882	56,149	3,150	-	-	-	79,181
Miscellaneous	-	-	-	-	11,190	196,647	207,837
Total Operating Revenues	<u>1,075,391</u>	<u>1,689,051</u>	<u>698,784</u>	<u>904,168</u>	<u>7,245,493</u>	<u>41,026,599</u>	<u>52,639,486</u>
Operating Expenses:							
Personnel services	-	-	246,468	822,555	-	599	1,069,622
Other services and charges	931,860	1,154,325	69,182	64,857	83,566	4,900,315	7,204,105
Materials and supplies	100,752	112,230	375,881	8,475	26,551	36,950	660,839
Depreciation	-	169,940	422	2,244	4,970,726	-	5,143,332
Claims	-	-	-	-	-	38,608,895	38,608,895
Total Operating Expenses	<u>1,032,612</u>	<u>1,436,495</u>	<u>691,953</u>	<u>898,131</u>	<u>5,080,843</u>	<u>43,546,759</u>	<u>52,686,793</u>
Operating Income (Loss)	<u>42,779</u>	<u>252,556</u>	<u>6,831</u>	<u>6,037</u>	<u>2,164,650</u>	<u>(2,520,160)</u>	<u>(47,307)</u>
Non-Operating Revenues:							
Gain (Loss) on Sale of Capital Assets	-	-	-	-	445,644	-	445,644
Total Non-Operating Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>445,644</u>	<u>-</u>	<u>445,644</u>
Net Income (Loss) Before Transfers	<u>42,779</u>	<u>252,556</u>	<u>6,831</u>	<u>6,037</u>	<u>2,610,294</u>	<u>(2,520,160)</u>	<u>398,337</u>
Transfers In	-	19,369	-	-	3,160,765	3,729,680	6,909,814
Transfers Out	-	-	-	-	-	(10,032,012)	(10,032,012)
Total Transfers	<u>-</u>	<u>19,369</u>	<u>-</u>	<u>-</u>	<u>3,160,765</u>	<u>(6,302,332)</u>	<u>(3,122,198)</u>
Change in Net Position	<u>42,779</u>	<u>271,925</u>	<u>6,831</u>	<u>6,037</u>	<u>5,771,059</u>	<u>(8,822,492)</u>	<u>(2,723,861)</u>
Net Position at Beginning of Year	<u>85,453</u>	<u>2,807,109</u>	<u>131,884</u>	<u>87,247</u>	<u>50,874,207</u>	<u>17,569,490</u>	<u>71,555,390</u>
Net Position at End of Year	<u>\$ 128,232</u>	<u>\$ 3,079,034</u>	<u>\$ 138,715</u>	<u>\$ 93,284</u>	<u>\$ 56,645,266</u>	<u>\$ 8,746,998</u>	<u>\$ 68,831,529</u>

**COUNTY OF LOUDOUN, VIRGINIA
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY - INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2013**

	Central Service Funds					Self Insurance	Total
	Duplicating	Telephone	Mail	Support	Vehicle Replacement		
Cash Flows from Operating Activities:							
Receipts from Customers	\$ 1,076,646	\$ 1,685,558	\$ 698,696	\$ 904,168	\$ 7,245,493	\$ 41,007,793	\$ 52,618,354
Payments to Suppliers for Goods and Services	(1,134,345)	(1,292,407)	(470,572)	(73,813)	(816,750)	(4,860,232)	(8,648,119)
Claims Paid	-	-	-	-	-	(37,620,852)	(37,620,852)
Payments to Employees	74,176	76,946	(245,661)	(817,307)	25,420	(487,864)	(1,374,290)
Net Cash Provided by (Used in) Operating Activities	<u>16,477</u>	<u>470,097</u>	<u>(17,537)</u>	<u>13,048</u>	<u>6,454,163</u>	<u>(1,961,155)</u>	<u>4,975,093</u>
Cash Flows from Non-capital Financing Activities:							
Transfers In	-	19,369	-	-	3,160,765	3,729,680	6,909,814
Transfers Out	-	-	-	-	-	(10,032,012)	(10,032,012)
Net Cash Provided by (Used in) Non-capital Financing Activities	<u>-</u>	<u>19,369</u>	<u>-</u>	<u>-</u>	<u>3,160,765</u>	<u>(6,302,332)</u>	<u>(3,122,198)</u>
Cash Flows from Capital and Related Financing Activities:							
Additions to Capital Assets	-	(97,990)	(16,864)	7,954	(4,661,366)	-	(4,768,266)
Proceeds from Sale of Capital Assets	-	-	-	-	457,841	-	457,841
Net Cash Provided By (Used in) Capital and Related Financing Activities	<u>-</u>	<u>(97,990)</u>	<u>(16,864)</u>	<u>7,954</u>	<u>(4,203,525)</u>	<u>-</u>	<u>(4,310,425)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>16,477</u>	<u>391,476</u>	<u>(34,401)</u>	<u>21,002</u>	<u>5,411,403</u>	<u>(8,263,487)</u>	<u>(2,457,530)</u>
Cash and Cash Equivalents (including those held with Fiscal Agents) at Beginning of Year	197,840	1,994,463	62,874	81,948	23,792,074	27,282,732	53,411,931
Cash and Cash Equivalents (including those held with Fiscal Agents) at End of Year	<u>\$ 214,317</u>	<u>\$ 2,385,939</u>	<u>\$ 28,473</u>	<u>\$ 102,950</u>	<u>\$ 29,203,477</u>	<u>\$ 19,019,245</u>	<u>\$ 50,954,401</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:							
Operating Income (Loss)	<u>\$ 42,779</u>	<u>\$ 252,556</u>	<u>\$ 6,831</u>	<u>\$ 6,037</u>	<u>\$ 2,164,650</u>	<u>\$ (2,520,160)</u>	<u>\$ (47,307)</u>
Adjustment Not Affecting Cash:							
Depreciation	-	169,940	422	2,244	4,970,726	-	5,143,332
(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:							
Receivables, Net	1,255	(3,493)	(88)	-	-	(18,806)	(21,132)
Inventory	-	-	(23,427)	-	-	-	(23,427)
Prepaid Items	-	-	-	-	(528,465)	95,189	(433,276)
Accounts Payable	(101,733)	(25,852)	(2,082)	(481)	(178,168)	(18,156)	(326,472)
Claims Liabilities	-	-	-	-	-	988,043	988,043
Accrued Liabilities	74,176	76,946	807	5,248	25,420	(487,265)	(304,668)
Total Adjustments	<u>(26,302)</u>	<u>217,541</u>	<u>(24,368)</u>	<u>7,011</u>	<u>4,289,513</u>	<u>559,005</u>	<u>5,022,400</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 16,477</u>	<u>\$ 470,097</u>	<u>\$ (17,537)</u>	<u>\$ 13,048</u>	<u>\$ 6,454,163</u>	<u>\$ (1,961,155)</u>	<u>\$ 4,975,093</u>
Non-Cash Capital Related Financing Activities:							
Gain on Sale of Capital Assets	-	-	-	-	445,644	-	445,644

Fiduciary Funds

Fiduciary Funds

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

Pension Trust Funds

Volunteer Fire and Rescue Trust Fund (712-3701) - This fund is used to account for the activities of the Public Safety Retirement System, which accumulates resources for pension benefit payments to qualified public safety personnel.

OPEB Trust Fund (722-3702) - This fund is used to account for the assets held in trust by the county for other post employment benefits.

Private Purpose Trust Fund

War Memorial Trust Fund (708-3721) - This fund is used to account for monies provided by private donors and other miscellaneous sources, restricted to use for the maintenance and improvement of the Vietnam Memorial.

Agency Funds

Special Welfare Trust Fund (703-3741) - 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 (710-3742) - 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 (713-3743) - This fund is used to account for employee withholdings, employer contributions, and payments made for employee benefits.

Adult Detention Center (ADC) Inmate Trust Fund (721-3744) - 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 PENSION TRUST NET POSITION
AS OF JUNE 30, 2013

	Volunteer Fire and Rescue Trust Fund	OPEB Trust Fund	Total
ASSETS			
Investments, at Fair Value:			
Investment in Pooled Funds	\$ 15,666,970	\$ 28,757,242	\$ 44,424,212
Accounts Receivable	-	1,875,000	1,875,000
Total Assets	<u>15,666,970</u>	<u>30,632,242</u>	<u>46,299,212</u>
LIABILITIES			
Accounts Payable	168,534	-	168,534
Total Liabilities	<u>168,534</u>	<u>-</u>	<u>168,534</u>
NET POSITION			
Held in Trust for Pension Benefits	<u>\$ 15,498,436</u>	<u>\$ 30,632,242</u>	<u>\$ 46,130,678</u>

COUNTY OF LOUDOUN, VIRGINIA
STATEMENT OF CHANGES IN PENSION TRUST NET POSITION
FOR THE YEAR ENDED JUNE 30, 2013

	Volunteer Fire and Rescue Trust Fund	OPEB Trust Fund	Total
ADDITIONS			
Contributions:			
Employer	\$ 830,205	\$ 10,138,528	\$ 10,968,733
Total Contributions	<u>830,205</u>	<u>10,138,528</u>	<u>10,968,733</u>
Investment Earnings:			
Net Appreciation (Decrease) in Fair Value of Investments	(520,420)	1,572,511	1,052,091
Interest	1,255,412	2,364	1,257,776
Total Investment Earnings	<u>734,992</u>	<u>1,574,875</u>	<u>2,309,867</u>
Less Investment Expense:			
Investment Management Fees	-	(17,566)	(17,566)
Net Investment Income	<u>734,992</u>	<u>1,557,309</u>	<u>2,292,301</u>
Total Additions	<u>1,565,197</u>	<u>11,695,837</u>	<u>13,261,034</u>
DEDUCTIONS			
Benefits	220,546	1,265,902	1,486,448
Administrative Expense	26,775	1,372,626	1,399,401
Total Deductions	<u>247,321</u>	<u>2,638,528</u>	<u>2,885,849</u>
Change in Net Position	1,317,876	9,057,309	10,375,185
Net Position at Beginning of Year	14,180,560	21,574,933	35,755,493
Net Position at End of Year	<u>\$ 15,498,436</u>	<u>\$ 30,632,242</u>	<u>\$ 46,130,678</u>

COUNTY OF LOUDOUN, VIRGINIA
COMBINING STATEMENT OF PRIVATE PURPOSE TRUST NET POSITION
AS OF JUNE 30, 2013

	War Memorial
ASSETS	
Cash and Cash Equivalents	\$ 8,111
Total Assets	\$ 8,111
LIABILITIES	
Accounts Payable	\$ -
Total Liabilities	\$ -
NET POSITION	
Held in Trust for Private Purposes	\$ 8,111

COUNTY OF LOUDOUN, VIRGINIA
STATEMENT OF CHANGES IN PRIVATE PURPOSE TRUST NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2013

	War Memorial
ADDITIONS	
Contributions:	
Gifts and Donations	\$ 5,000
Total Contributions	5,000
Investment Earnings:	
Interest	13
Total Investment Earnings	13
Total Additions	5,013
DEDUCTIONS	
Benefits	5,169
Total Deductions	5,169
Change in Net Position	(156)
Net Position at Beginning of Year	8,267
Net Position at End of Year	\$ 8,111

COUNTY OF LOUDOUN, VIRGINIA
COMBINING BALANCE SHEET - AGENCY FUND
AS OF JUNE 30, 2013

	<u>Special Welfare</u>	<u>Performance Bonds</u>	<u>Employee Benefits Distribution</u>	<u>ADC Inmate</u>	<u>Total</u>
ASSETS					
Cash and Cash Equivalents	\$ 153,507	\$ 14,254,266	\$ 2,721,206	\$ 308,989	\$ 17,437,968
Cash with Fiscal Agents	-	-	60,000	-	60,000
Total Assets	<u>\$ 153,507</u>	<u>\$ 14,254,266</u>	<u>\$ 2,781,206</u>	<u>\$ 308,989</u>	<u>\$ 17,497,968</u>
LIABILITIES					
Accounts Payable	-	-	2,781,206	-	2,781,206
Funds Held in Trust for Others	153,507	14,254,266	-	308,989	14,716,762
Total Liabilities	<u>\$ 153,507</u>	<u>\$ 14,254,266</u>	<u>\$ 2,781,206</u>	<u>\$ 308,989</u>	<u>\$ 17,497,968</u>

COUNTY OF LOUDOUN, VIRGINIA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2013</u>
<u>Special Welfare Fund</u>				
Assets:				
Cash and Cash Equivalents	\$ 167,650	\$ 75,193	\$ 89,336	\$ 153,507
Total Assets	<u>\$ 167,650</u>	<u>\$ 75,193</u>	<u>\$ 89,336</u>	<u>\$ 153,507</u>
Liabilities:				
Accounts Payable	\$ 27,898	\$ 61,438	\$ 89,336	\$ -
Funds Held in Trust for Others	139,752	75,193	61,438	153,507
Total Liabilities	<u>\$ 167,650</u>	<u>\$ 136,631</u>	<u>\$ 150,774</u>	<u>\$ 153,507</u>
<u>Performance Bond Fund</u>				
Assets:				
Cash and Cash Equivalents	\$ 13,327,039	\$ 3,299,761	\$ 2,372,534	\$ 14,254,266
Total Assets	<u>\$ 13,327,039</u>	<u>\$ 3,299,761</u>	<u>\$ 2,372,534</u>	<u>\$ 14,254,266</u>
Liabilities:				
Accounts Payable	\$ 27,960	\$ 2,307,933	\$ 2,335,893	\$ -
Funds Held in Trust for Others	13,299,079	3,249,681	2,294,494	14,254,266
Total Liabilities	<u>\$ 13,327,039</u>	<u>\$ 5,557,614</u>	<u>\$ 4,630,387</u>	<u>\$ 14,254,266</u>
<u>Employee Benefits Distribution Fund</u>				
Assets:				
Cash and Cash Equivalents	\$ 2,174,463	\$ 101,265,738	\$ 100,718,995	\$ 2,721,206
Cash with Fiscal Agents	60,000	-	-	60,000
Total Assets	<u>\$ 2,234,463</u>	<u>\$ 101,265,738</u>	<u>\$ 100,718,995</u>	<u>\$ 2,781,206</u>
Liabilities:				
Accounts Payable	\$ 2,234,463	\$ 116,838,981	\$ 116,292,238	\$ 2,781,206
Total Liabilities	<u>\$ 2,234,463</u>	<u>\$ 116,838,981</u>	<u>\$ 116,292,238</u>	<u>\$ 2,781,206</u>
<u>Adult Detention Center (ADC) Inmate Fund</u>				
Assets:				
Cash and Cash Equivalents	\$ 312,958	\$ 1,597,896	\$ 1,601,865	\$ 308,989
Total Assets	<u>\$ 312,958</u>	<u>\$ 1,597,896</u>	<u>\$ 1,601,865</u>	<u>\$ 308,989</u>
Liabilities:				
Funds Held in Trust for Others	\$ 312,958	\$ 1,597,896	\$ 1,601,865	\$ 308,989
Total Liabilities	<u>\$ 312,958</u>	<u>\$ 1,597,896</u>	<u>\$ 1,601,865</u>	<u>\$ 308,989</u>
<u>Totals - All Agency Funds</u>				
Assets:				
Cash and Cash Equivalents	\$ 15,982,110	\$ 106,238,588	\$ 104,782,730	\$ 17,437,968
Cash with Fiscal Agents	60,000	-	-	60,000
Total Assets	<u>\$ 16,042,110</u>	<u>\$ 106,238,588</u>	<u>\$ 104,782,730</u>	<u>\$ 17,497,968</u>
Liabilities:				
Accounts Payable	\$ 2,290,321	\$ 119,208,352	\$ 118,717,467	\$ 2,781,206
Funds Held in Trust for Others	13,751,789	4,922,770	3,957,797	14,716,762
Total Liabilities	<u>\$ 16,042,110</u>	<u>\$ 124,131,122</u>	<u>\$ 122,675,264</u>	<u>\$ 17,497,968</u>



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Component Unit - School Board Funds

Component Unit - School Board Funds

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

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

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

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

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

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

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

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

COUNTY OF LOUDOUN, VIRGINIA
BALANCE SHEET
GOVERNMENTAL FUNDS
COMPONENT UNIT - SCHOOL BOARD
JUNE 30, 2013

	General	Capital Improvements	Special Revenue	Capital Asset Replacement	Debt Service	Permanent Peabody	Total School Board
ASSETS							
Cash and Cash Equivalents	\$ 88,882,037	\$ -	\$ 4,740,377	\$ 1,752,921	\$ 294,559	\$ 32,906	\$ 95,702,800
Restricted Cash and Investments	-	59,318,554	-	-	-	-	59,318,554
Receivables, Net:							
Accounts	181,850	-	-	-	-	-	181,850
Due from Other Governments	17,663,570	-	116,796	-	-	-	17,780,366
Advances to Employees	200	-	-	-	-	-	200
Inventory of Supplies	-	-	788,056	-	-	-	788,056
Prepaid Items	357,461	-	-	-	-	-	357,461
Total Assets	<u>\$ 107,085,118</u>	<u>\$ 59,318,554</u>	<u>\$ 5,645,229</u>	<u>\$ 1,752,921</u>	<u>\$ 294,559</u>	<u>\$ 32,906</u>	<u>\$ 174,129,287</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Retainage Payable	\$ -	\$ 2,811,037	\$ -	\$ -	\$ -	\$ -	\$ 2,811,037
Accrued Liabilities	60,905,274	10,998,046	1,197,491	105,549	-	-	73,206,360
Other Liabilities	72,912	-	-	-	-	-	72,912
Unearned Revenue	1,728,291	-	825,821	-	-	-	2,554,112
Total Liabilities	<u>62,706,477</u>	<u>13,809,083</u>	<u>2,023,312</u>	<u>105,549</u>	<u>-</u>	<u>-</u>	<u>78,644,421</u>
Fund Balances:							
Non-spendable:							
Inventories	357,661	-	788,056	-	-	-	1,145,717
Permanent Fund-Nonexpendable	-	-	-	-	-	32,906	32,906
Restricted for:							
Bond Covenants	-	45,509,471	-	-	-	-	45,509,471
Committed to:							
Fiscal Reserve	27,734,254	-	-	-	-	-	27,734,254
Subsequent year appropriations	-	-	-	-	294,559	-	294,559
Capital Fund	-	-	-	1,647,372	-	-	1,647,372
Assigned to:							
Contractual obligations	5,242,209	-	-	-	-	-	5,242,209
Subsequent year appropriations	10,000,000	-	-	-	-	-	10,000,000
Food service fund	-	-	2,833,861	-	-	-	2,833,861
Unassigned	1,044,517	-	-	-	-	-	1,044,517
Total Fund Balances	<u>44,378,641</u>	<u>45,509,471</u>	<u>3,621,917</u>	<u>1,647,372</u>	<u>294,559</u>	<u>32,906</u>	<u>95,484,866</u>
Total Liabilities and Fund Balances	<u>\$ 107,085,118</u>	<u>\$ 59,318,554</u>	<u>\$ 5,645,229</u>	<u>\$ 1,752,921</u>	<u>\$ 294,559</u>	<u>\$ 32,906</u>	<u>\$ 174,129,287</u>

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, 2013

	<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	\$ 1,891,239	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,891,239
Charges for Services	2,511,972	-	16,130,453	-	-	-	18,642,425
Miscellaneous	3,639,885	-	15	-	-	-	3,639,900
Recovered Costs	1,272,925	-	-	-	-	-	1,272,925
Intergovernmental - Commonwealth	253,386,147	-	332,027	-	-	-	253,718,174
Intergovernmental - Federal	14,640,368	-	7,225,352	-	-	-	21,865,720
Payments from Primary Government	541,954,435	112,100,830	-	3,175,000	8,511,175	-	665,741,440
Total Revenues	<u>819,296,971</u>	<u>112,100,830</u>	<u>23,687,847</u>	<u>3,175,000</u>	<u>8,511,175</u>	<u>-</u>	<u>966,771,823</u>
EXPENDITURES							
Current Operating:							
Education	814,778,570	10,343	25,029,875	3,255,870	-	1,400	843,076,058
Capital Outlay	10,929,121	79,107,276	187,248	91,635	-	-	90,315,280
Debt service:							
Principal Payments	-	-	-	-	7,859,917	-	7,859,917
Interest and Service Charges	-	-	-	-	363,146	-	363,146
Transfer to Other Funds	1,825,641	55,359	-	-	-	-	1,881,000
Total Expenditures	<u>827,533,332</u>	<u>79,172,978</u>	<u>25,217,123</u>	<u>3,347,505</u>	<u>8,223,063</u>	<u>1,400</u>	<u>943,495,401</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(8,236,361)</u>	<u>32,927,852</u>	<u>(1,529,276)</u>	<u>(172,505)</u>	<u>288,112</u>	<u>(1,400)</u>	<u>23,276,422</u>
OTHER FINANCING SOURCES (USES)							
Lease/Purchase Financing	9,926,000	-	-	-	-	-	9,926,000
Total Other Financing Sources (Uses)	<u>9,926,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,926,000</u>
Net Change in Fund Balances	1,689,639	32,927,852	(1,529,276)	(172,505)	288,112	(1,400)	33,202,422
Fund Balances at Beginning of Year	<u>42,689,002</u>	<u>12,581,619</u>	<u>5,151,193</u>	<u>1,819,877</u>	<u>6,447</u>	<u>34,306</u>	<u>62,282,444</u>
Fund Balances at End of Year	<u>\$ 44,378,641</u>	<u>\$ 45,509,471</u>	<u>\$ 3,621,917</u>	<u>\$ 1,647,372</u>	<u>\$ 294,559</u>	<u>\$ 32,906</u>	<u>\$ 95,484,866</u>

**COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE OF
SCHOOL GENERAL FUND
COMPONENT UNIT - SCHOOL BOARD
FOR THE YEAR ENDED JUNE 30, 2013**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Resources (Inflows)				
Use of Money and Property	\$ 1,845,000	\$ 1,845,000	\$ 1,891,239	\$ 46,239
Charges for Services	3,169,900	2,353,264	2,511,972	158,708
Miscellaneous	2,664,399	4,250,103	3,639,885	(610,218)
Recovered Costs	-	-	1,272,925	1,272,925
Intergovernmental - Commonwealth	250,243,132	252,657,272	253,386,147	728,875
Intergovernmental - Federal	13,194,877	16,400,967	14,640,368	(1,760,599)
Payment from Primary Government	541,954,435	541,954,435	541,954,435	-
Lease/Purchase Financing	9,926,000	9,926,000	9,926,000	-
Amounts Available for Appropriation	<u>822,997,743</u>	<u>829,387,040</u>	<u>829,222,971</u>	<u>(164,069)</u>
Charges to Appropriations (Outflows)				
Education	832,997,743	844,969,246	825,707,691	19,261,555
Nondepartmental:				
Transfers to Other Funds	-	-	1,825,641	(1,825,641)
Total Charges to Appropriations	<u>832,997,743</u>	<u>844,969,246</u>	<u>827,533,332</u>	<u>17,435,914</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	(10,000,000)	(15,582,205)	1,689,639	17,271,844
Fund Balance at Beginning of Year	42,689,002	42,689,002	42,689,002	-
Fund Balance at End of Year	<u>\$ 32,689,002</u>	<u>\$ 27,106,797</u>	<u>\$ 44,378,641</u>	<u>\$ 17,271,844</u>

**COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE OF
SCHOOL SPECIAL REVENUE FUND - CAFETERIA
COMPONENT UNIT - SCHOOL BOARD
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Resources (Inflows)				
Charges for Services	\$ 20,139,623	\$ 20,139,623	\$ 16,130,453	\$ (4,009,170)
Miscellaneous	-	-	15	15
Intergovernmental - Commonwealth	336,000	336,000	332,027	(3,973)
Intergovernmental - Federal	4,600,000	4,600,000	7,225,352	2,625,352
Amounts Available for Appropriation	<u>25,075,623</u>	<u>25,075,623</u>	<u>23,687,847</u>	<u>(1,387,776)</u>
Charges to Appropriations (Outflows)				
Education	25,081,623	25,323,541	25,217,123	106,418
Total Charges to Appropriations	<u>25,081,623</u>	<u>25,323,541</u>	<u>25,217,123</u>	<u>106,418</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	(6,000)	(247,918)	(1,529,276)	(1,281,358)
Fund Balance at Beginning of Year	5,151,193	5,151,193	5,151,193	-
Fund Balance at End of Year	<u>\$ 5,145,193</u>	<u>\$ 4,903,275</u>	<u>\$ 3,621,917</u>	<u>\$ (1,281,358)</u>

**COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE OF
SCHOOL CAPITAL IMPROVEMENTS FUND
COMPONENT UNIT - SCHOOL BOARD
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Budget Authorization</u>
REVENUES				
Payment from Primary Government	\$ 389,627,774	\$ 112,100,830	\$ 501,728,604	\$ 731,708,707
Total Revenues	<u>389,627,774</u>	<u>112,100,830</u>	<u>501,728,604</u>	<u>731,708,707</u>
EXPENDITURES				
Education	694,845	10,343	705,188	961,000
Capital Outlay	376,351,310	79,107,276	455,458,586	730,747,707
Total Expenditures	<u>377,046,155</u>	<u>79,117,619</u>	<u>456,163,774</u>	<u>731,708,707</u>
Deficiency of Revenues Under Expenditures	<u>12,581,619</u>	<u>32,983,211</u>	<u>45,564,830</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	(55,359)	(55,359)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(55,359)</u>	<u>(55,359)</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ 12,581,619</u>	<u>\$ 32,927,852</u>	<u>\$ 45,509,471</u>	<u>\$ -</u>
Fund Balance at Beginning of Year		12,581,619		
Fund Balance at End of Year		<u>\$ 45,509,471</u>		

**COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE OF
SCHOOL CAPITAL ASSET PRESERVATION FUND
COMPONENT UNIT - SCHOOL BOARD
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Budget Authorization</u>
REVENUES				
Payment from Primary Government	\$ 1,819,877	\$ 3,175,000	\$ 4,994,877	\$ 4,994,877
Total Revenues	<u>1,819,877</u>	<u>3,175,000</u>	<u>4,994,877</u>	<u>4,994,877</u>
EXPENDITURES				
Education	-	3,255,870	3,255,870	4,903,242
Capital Outlay	-	91,635	91,635	91,635
Total Expenditures	<u>-</u>	<u>3,347,505</u>	<u>3,347,505</u>	<u>4,994,877</u>
Deficiency of Revenues Under Expenditures	<u>1,819,877</u>	<u>(172,505)</u>	<u>1,647,372</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ 1,819,877</u>	<u>(172,505)</u>	<u>\$ 1,647,372</u>	<u>\$ -</u>
Fund Balance at Beginning of Year		<u>1,819,877</u>		
Fund Balance at End of Year		<u>\$ 1,647,372</u>		

**COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE OF
SCHOOL DEBT SERVICE FUND
COMPONENT UNIT - SCHOOL BOARD
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Resources (Inflows)				
Payment from Primary Government	\$ 8,511,175	\$ 8,511,175	\$ 8,511,175	\$ -
Amounts Available for Appropriation	<u>8,511,175</u>	<u>8,511,175</u>	<u>8,511,175</u>	<u>-</u>
Charges to Appropriations (Outflows)				
Nondepartmental:				
Debt Service	8,511,175	8,511,175	8,223,063	288,112
Total Charges to Appropriations	<u>8,511,175</u>	<u>8,511,175</u>	<u>8,223,063</u>	<u>288,112</u>
Excess (Deficiency) of Resources Over				
Charges to Appropriations	-	-	288,112	288,112
Fund Balance at Beginning of Year	6,447	6,447	6,447	-
Fund Balance at End of Year	<u>\$ 6,447</u>	<u>\$ 6,447</u>	<u>\$ 294,559</u>	<u>\$ 288,112</u>

COUNTY OF LOUDOUN, VIRGINIA
COMBINING STATEMENT OF PROPRIETARY NET POSITION
PROPRIETARY - INTERNAL SERVICE FUNDS
COMPONENT UNIT - SCHOOL BOARD
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Central Service Fund</u>	<u>Self Insurance Fund</u>	<u>Total</u>
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 540,229	\$ 3,192,284	\$ 3,732,513
Receivables, Net	2,393	255,251	257,644
Inventory of Supplies	640,972	-	640,972
Prepaid Items	-	2,242,792	2,242,792
Total Current Assets	<u>1,183,594</u>	<u>5,690,327</u>	<u>6,873,921</u>
Noncurrent Assets:			
Capital Assets:			
Depreciable, Net	3,183,311	-	3,183,311
Total Noncurrent Assets	<u>3,183,311</u>	<u>-</u>	<u>3,183,311</u>
Total Assets	<u>\$ 4,366,905</u>	<u>\$ 5,690,327</u>	<u>\$ 10,057,232</u>
LIABILITIES			
Current Liabilities:			
Claims Liabilities	\$ -	\$ 11,120,517	\$ 11,120,517
Accrued Liabilities	688,947	1,289,124	1,978,071
Total Current Liabilities	<u>688,947</u>	<u>12,409,641</u>	<u>13,098,588</u>
Noncurrent Liabilities:			
Claims Liabilities	-	2,133,562	2,133,562
Total Noncurrent Liabilities	<u>-</u>	<u>2,133,562</u>	<u>2,133,562</u>
Total Liabilities	<u>\$ 688,947</u>	<u>\$ 14,543,203</u>	<u>\$ 15,232,150</u>
NET POSITION			
Net Investment in			
Capital Assets	\$ 3,183,311	\$ -	\$ 3,183,311
Unrestricted	494,647	(8,852,876)	(8,358,229)
Total Net Position	<u>\$ 3,677,958</u>	<u>\$ (8,852,876)</u>	<u>\$ (5,174,918)</u>

COUNTY OF LOUDOUN, VIRGINIA
STATEMENT OF CHANGES IN PROPRIETARY NET POSITION
PROPRIETARY - INTERNAL SERVICE FUNDS
COMPONENT UNIT - SCHOOL BOARD
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Central Service Fund</u>	<u>Self Insurance Fund</u>	<u>Total</u>
Operating Revenues:			
Charges for services	\$ 18,991,149	\$ 120,580,609	\$ 139,571,758
Use of property	34,652	-	34,652
Total Operating Revenues	<u>19,025,801</u>	<u>120,580,609</u>	<u>139,606,410</u>
Operating Expenses:			
Personnel services	4,788,291	76,099	4,864,390
Other services and charges	2,219,624	9,689,520	11,909,144
Materials and supplies	12,727,632	-	12,727,632
Depreciation	166,289	-	166,289
Claims	-	124,057,722	124,057,722
Total Operating Expenses	<u>19,901,836</u>	<u>133,823,341</u>	<u>153,725,177</u>
Operating Income (Loss)	(876,035)	(13,242,732)	(14,118,767)
Non-Operating Revenues:			
Gain on Sale of Capital Assets	19,414	-	19,414
Total Non-Operating Revenues	<u>19,414</u>	<u>-</u>	<u>19,414</u>
Net Income (Loss) Before Transfers	<u>(856,621)</u>	<u>(13,242,732)</u>	<u>(14,099,353)</u>
Transfers In	-	1,881,000	1,881,000
Total Transfers	<u>-</u>	<u>1,881,000</u>	<u>1,881,000</u>
Change in Net Position	(856,621)	(11,361,732)	(12,218,353)
Net Position at Beginning of Year	4,534,579	2,508,856	7,043,435
Net Position at End of Year	<u>\$ 3,677,958</u>	<u>\$ (8,852,876)</u>	<u>\$ (5,174,918)</u>

**COUNTY OF LOUDOUN, VIRGINIA
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY - INTERNAL SERVICE FUNDS
COMPONENT UNIT - SCHOOL BOARD
FOR THE YEAR ENDED JUNE 30, 2013**

	Central Service Fund	Self Insurance Fund	Total
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 19,023,408	\$ 120,504,974	\$ 139,528,382
Payments to Suppliers for Goods and Services	(14,773,038)	(12,132,828)	(26,905,866)
Claims Paid	-	(120,877,133)	(120,877,133)
Payments to Employees	(4,788,291)	(76,099)	(4,864,390)
Net Cash Provided by (Used in) Operating Activities	(537,921)	(12,581,086)	(13,119,007)
Cash Flows from Noncapital Financing Activities:			
Transfers In	-	1,881,000	1,881,000
Deposits	-	(2,050,000)	(2,050,000)
Net Cash Provided by (used in) Noncapital Financing Activities	-	(169,000)	(169,000)
Cash Flows from Capital and Related Financing Activities:			
Additions to Capital Assets	(68,022)	-	(68,022)
Proceeds from Sale of Capital Assets	19,414	-	19,414
Net Cash Used in Capital and Related Financing Activities	(48,608)	-	(48,608)
Net Decrease in Cash and Cash Equivalents	(586,529)	(12,750,086)	(13,336,615)
Cash and Cash Equivalents (including those held with Fiscal Agents) at Beginning of Year	1,126,758	15,942,370	17,069,128
Cash and Cash Equivalents (including those held with Fiscal Agents) at End of Year	\$ 540,229	\$ 3,192,284	\$ 3,732,513
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Operating Income (Loss)	\$ (876,035)	\$ (13,242,732)	\$ (14,118,767)
Adjustment Not Affecting Cash:			
Depreciation	166,289	-	166,289
(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:			
Receivable, Net	(2,393)	(75,635)	(78,028)
Inventory	135,158	-	135,158
Prepaid Items	-	(2,792)	(2,792)
Accounts Payable	49,060	(20,902)	28,158
Retainage Payable	(10,000)	-	(10,000)
Claims Liabilities	-	3,180,589	3,180,589
Accrued Liabilities	-	(1,657,491)	(1,657,491)
Deferred Revenue	-	(762,123)	(762,123)
Total Adjustments	338,114	661,646	999,760
Net Cash Provided by (used in) Operating Activities	\$ (537,921)	\$ (12,581,086)	\$ (13,119,007)

COUNTY OF LOUDOUN, VIRGINIA
COMBINING STATEMENT OF PENSION TRUST NET POSITION
COMPONENT UNIT - SCHOOL BOARD
FOR THE YEAR ENDED JUNE 30, 2013

	OPEB Trust Fund
ASSETS	
Cash with Fiscal Agents	\$ 64,768,225
Accounts Receivable	3,500,000
Total Investments	-
Total Assets	\$ 68,268,225
LIABILITIES	
Accounts Payable	\$ -
Total Liabilities	\$ -
NET POSITION	
Held in Trust for Pension Benefits	\$ 68,268,225

COUNTY OF LOUDOUN, VIRGINIA
STATEMENT OF CHANGES IN PENSION TRUST NET POSITION
COMPONENT UNIT - SCHOOL BOARD
FOR THE YEAR ENDED JUNE 30, 2013

	OPEB Trust Fund
ADDITIONS	
Contributions:	
Employer	\$ 17,668,922
Total Contributions	17,668,922
Investment Earnings:	
Net Appreciation in Fair Value of Investments	3,878,533
Interest	5,712
Total Investment Earnings	3,884,245
Less Investment Expense:	
Investment Management Fees	(42,500)
Net Investment Income	3,841,745
Total Additions	21,510,667
DEDUCTIONS	
Benefits	3,768,168
Administrative Expense	3,400,753
Total Deductions	7,168,921
Change in Net Position	14,341,746
Net Position at Beginning of Year	53,926,479
Net Position at End of Year	\$ 68,268,225

COUNTY OF LOUDOUN, VIRGINIA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS
COMPONENT UNIT - SCHOOL BOARD
FOR THE YEAR ENDED JUNE 30, 2013

	Payroll Liabilities Distribution Fund	Student Activity Fund	Total Agency Funds
ASSETS			
Cash and Cash Equivalents	\$ 8,533,172	\$ 6,090,657	\$ 14,623,829
Total Assets	<u>8,533,172</u>	<u>6,090,657</u>	<u>14,623,829</u>
LIABILITIES			
Accounts Payable	\$ 8,533,172	\$ -	\$ 8,533,172
Collections Held in Trust	-	6,090,657	6,090,657
Total Current Liabilities	<u>\$ 8,533,172</u>	<u>\$ 6,090,657</u>	<u>\$ 14,623,829</u>
Total Liabilities			

Capital Assets

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 two years. Such assets are recorded at historical costs 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 assets lives 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 SOURCES
AT JUNE 30, 2013**

CAPITAL ASSETS	
Land	\$ 166,185,992
Buildings	386,389,049
Improvements Other Than Buildings	38,298,863
Equipment	164,924,818
Infrastructure	499,849,576
Construction in Progress	54,970,169
Total Current Assets	<u>1,310,618,467</u>
Less Accumulated Depreciation	(274,621,819)
Net Capital Assets	<u><u>\$ 1,035,996,648</u></u>

**COUNTY OF LOUDOUN, VIRGINIA
SCHEDULE OF CAPITAL ASSETS
BY FUNCTION
AT JUNE 30, 2013**

<u>Function</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements other than Buildings</u>	<u>Machinery and Equipment</u>	<u>Infrastructure</u>	<u>Total</u>
General Government Administration	\$ 39,563,156	\$ 15,365,929	-	\$ 55,765,070	\$ 1,285,970	\$ 111,980,125
Judicial Administration	398,112	35,050,899	-	1,378,542	-	36,827,553
Public Safety	19,034,016	156,700,349	-	69,358,118	477,550	245,570,033
Public Works	27,428,653	34,133,256	38,958	6,181,425	497,704,570	565,486,862
Health and Welfare	2,746,906	42,726,482	-	985,571	-	46,458,959
Parks, Recreation and Culture	66,416,451	101,185,498	32,426,925	6,010,058	381,486	206,420,418
Community Development	10,598,698	1,226,636	5,832,980	25,246,034	-	42,904,348
Total Capital Assets Allocation to Functions	<u>166,185,992</u>	<u>386,389,049</u>	<u>38,298,863</u>	<u>164,924,818</u>	<u>499,849,576</u>	<u>1,255,648,298</u>
Less: Accumulated Depreciation	-	(67,650,764)	(15,497,491)	(103,531,372)	(87,942,192)	(274,621,819)
Total	<u>\$ 166,185,992</u>	<u>\$ 318,738,285</u>	<u>\$ 22,801,372</u>	<u>\$ 61,393,446</u>	<u>\$ 411,907,384</u>	<u>981,026,479</u>
Construction in Progress						<u>54,970,169</u>
Total Capital Assets						<u>\$ 1,035,996,648</u>

COUNTY OF LOUDOUN, VIRGINIA
SCHEDULE OF CHANGES IN CAPITAL ASSETS
BY FUNCTION
YEAR ENDED JUNE 30, 2013

Function	Fixed Assets July 1, 2012	Additions	Deductions	Transfers In / (Out)	Fixed Assets June 30, 2013
General Government Administration	\$ 100,918,625	\$ 2,063,563	\$ 3,212,420	\$ 12,210,357	\$ 111,980,125
Judicial Administration	36,650,184	5,160	-	172,209	36,827,553
Public Safety	219,792,255	4,992,952	130,976	20,915,802	245,570,033
Public Works	521,292,539	44,577,785	314,115	(69,347)	565,486,862
Health and Welfare	47,649,503	229,405	5,862	(1,414,087)	46,458,959
Parks, Recreation and Culture	194,366,281	66,211	10,400	11,998,326	206,420,418
Community Development	39,857,061	1,098,448	-	1,948,839	42,904,348
Total Capital Assets Allocation to Function	<u>1,160,526,448</u>	<u>53,033,524</u>	<u>3,673,773</u>	<u>45,762,099</u>	<u>1,255,648,298</u>
Construction in Progress	34,842,194	65,890,074	-	(45,762,099)	54,970,169
Total	<u>1,195,368,642</u>	<u>118,923,598</u>	<u>3,673,773</u>	<u>-</u>	<u>1,310,618,467</u>
Less: Accumulated Depreciation	(249,035,292)	(29,231,759)	(3,645,232)	-	(274,621,819)
Net Capital Assets	<u>\$ 946,333,350</u>	<u>\$ 89,691,839</u>	<u>\$ 28,541</u>	<u>\$ -</u>	<u>\$ 1,035,996,648</u>

STATISTICAL SECTION

STATISTICAL SECTION

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 These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	130
Revenue Capacity 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.	134
Debt Capacity 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.	139
Economic and Demographic Information which the County's financial activities take place and to help make comparisons over time and with other governments.	142
Operating Information 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.	144

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							
	2013	2012	2011	2010	2009	2008	2007	2006
Primary government:								
Net Investment in Capital Assets	\$ 756,586,759	\$ 653,910,318	\$ 577,369,256	\$ 585,178,496	\$ 527,364,157	\$ 489,043,054	\$ 485,203,057	\$ 450,622,376
Restricted	289,263,838	281,340,465	268,799,538	117,028,380	140,839,102	120,692,734	104,274,450	58,775,047
Unrestricted	(523,228,920)	(486,196,509)	(578,627,392)	(574,814,326)	(588,919,383)	(514,969,805)	(570,530,797)	(452,463,564)
Total Primary Government Net Position	522,621,677	449,054,274	267,541,402	127,392,550	79,283,876	94,765,983	18,946,710	56,933,859
Component Unit: (1)								
Net Investment in Capital Assets	1,345,039,435	1,296,827,243	1,236,090,727	1,218,969,901	1,118,111,822	1,074,201,984	948,053,632	854,667,866
Restricted	45,542,377	25,723,640	69,473,633	95,452,677	160,182,948	94,027,547	194,986,560	132,512,303
Unrestricted	(101,134,357)	(82,512,411)	(12,775,272)	8,838,292	25,363,594	56,218,412	56,951,907	62,921,591
Total Component Unit Net Position	1,289,447,455	1,240,038,472	1,327,320,262	1,323,260,870	1,303,658,364	1,224,447,943	1,199,992,099	1,050,101,760
Total Reporting Entity: (2)								
Net Investment in Capital Assets	1,263,421,137	1,181,750,230	983,749,795	873,938,252	720,468,499	743,562,715	498,936,494	194,886,496
Restricted	334,806,215	307,064,105	184,105,398	212,481,057	301,059,613	214,720,281	299,261,010	191,287,350
Unrestricted	213,841,780	145,702,769	427,006,471	364,234,111	361,314,128	360,930,930	420,741,305	413,025,169
Total Reporting Entity Net Position	\$ 1,812,069,132	\$ 1,634,517,104	\$ 1,594,861,664	\$ 1,450,653,420	\$ 1,382,842,240	\$ 1,319,213,926	\$ 1,218,938,809	\$ 799,199,015

- (1) Component unit net asset components are included in this table due to School Board being a significant portion of the County. In Virginia, the County issues debt to finance the construction of school facilities for the School Board because the School Board do not have borrowing or taxing authority.
- (2) The sum of the rows does not equal the Total Reporting Entity row because the debt related to the School Board Component Unit is reflected in the Primary Government's Net Asset row reducing unrestricted net assets. The assets are reflected in the School Board Component Unit row as Invested in Capital Assets, net of related debt. The Total Reporting Entity row matches the asset with the debt and reports the net amount on the Invested in Capital Assets, net of related debt line.
- (3) Restated FY2011 net asset of the Component Unit-School Board for change in depreciation due to timing of capitalization of school buildings

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

	Fiscal Years							
	2013	2012	2011	2010	2009	2008	2007	2006
Primary government:								
Expenses								
General government administration	\$ 61,912,835	\$ 70,316,709	\$ 62,046,397	\$ 63,686,674	\$ 62,822,643	\$ 55,390,394	\$ 50,059,960	\$ 43,682,466
Judicial administration	13,583,932	13,914,515	12,713,817	13,102,418	12,195,513	13,491,840	11,998,091	10,192,333
Public safety	157,521,067	154,479,975	139,449,347	136,689,853	146,132,847	133,119,564	117,079,583	103,129,805
Public works	55,288,784	52,378,576	53,898,740	73,414,534	87,509,156	51,868,968	39,352,422	19,504,478
Health and welfare	80,983,615	83,094,558	81,624,733	85,065,383	82,537,935	85,769,481	77,284,839	73,632,718
Parks, recreation and culture	49,451,751	48,706,940	44,867,154	44,766,554	47,983,009	47,410,027	40,963,120	38,426,805
Community development	49,822,990	46,653,869	38,362,638	42,006,747	40,960,236	40,986,388	40,758,161	35,709,602
Education	666,322,749	516,790,758	523,831,880	558,233,336	648,732,511	551,205,050	613,877,184	555,334,092
Interest and other debt service charges	60,737,458	46,467,254	46,222,850	42,984,767	38,106,182	44,058,386	38,586,954	37,448,682
Total primary government expenses	\$ 1,195,625,181	\$ 1,032,803,154	\$ 1,003,017,556	\$ 1,059,950,266	\$ 1,166,980,032	\$ 1,023,300,098	\$ 1,029,960,314	\$ 917,060,981
Program Revenues								
Charges for services:								
General government administration	\$ 1,330,300	\$ 1,196,643	\$ 1,604,464	\$ 1,291,961	\$ 1,193,028	\$ 1,080,504	\$ 1,690,165	\$ 1,854,147
Judicial administration	1,879,288	1,540,865	1,525,826	1,625,414	1,925,667	2,177,646	2,784,513	3,986,858
Public safety	15,841,619	13,472,302	11,954,320	9,743,766	10,199,123	11,714,375	11,653,582	16,647,759
Public works	2,517,428	3,092,074	3,392,704	2,840,600	3,239,278	4,123,782	4,009,388	2,937,798
Health and welfare	8,130,889	8,659,934	8,675,500	7,830,997	7,444,700	8,790,470	7,537,008	7,582,636
Parks, recreation and culture	16,677,711	16,373,314	16,066,824	14,734,804	14,052,720	13,855,369	11,473,703	10,537,926
Community development	21,724,548	18,987,466	15,020,443	12,555,265	12,143,717	14,863,758	14,368,965	13,810,587
Education	4,660	4,647	1,744	4,188	61,609	204,551	259,804	194,600
Operating grants and contributions	92,839,966	84,070,450	64,135,538	79,233,436	73,551,322	70,591,149	61,734,142	60,103,310
Capital grants and contributions	49,208,083	44,375,368	18,665,478	17,632,716	50,436,513	37,425,005	12,012,850	15,838,102
Total primary government program revenues	\$ 210,154,492	\$ 191,773,063	\$ 141,042,891	\$ 147,493,147	\$ 174,247,677	\$ 164,826,609	\$ 127,524,120	\$ 133,493,723
Total primary government net expense (1)	\$ (985,470,689)	\$ (841,030,091)	\$ (861,974,665)	\$ (912,457,119)	\$ (992,732,355)	\$ (858,473,489)	\$ (902,436,194)	\$ (783,567,258)
General Revenues and Other Changes in Net Assets								
Taxes:								
Property taxes	\$ 853,973,763	\$ 826,556,065	\$ 809,717,753	\$ 779,918,323	\$ 780,314,126	\$ 739,793,194	\$ 657,976,780	\$ 589,577,533
Local sales and use taxes	69,555,652	68,907,540	63,589,457	57,604,972	55,353,088	57,209,778	54,099,950	53,558,311
Consumer utility taxes	21,504,030	19,864,904	20,236,914	20,087,509	19,891,260	20,940,326	19,263,192	17,131,137
Business license taxes	28,400,538	25,995,888	25,355,444	23,076,923	25,552,292	25,464,522	26,718,562	25,782,305
Franchise license taxes	679,828	657,160	586,485	503,990	424,254	-	857,820	1,545,845
Motor vehicle licenses	6,061,581	5,861,761	5,663,926	5,486,343	5,313,822	5,189,600	5,064,223	4,897,059
Bank franchise taxes	1,295,921	1,457,653	2,015,493	1,098,270	585,119	365,769	465,944	530,806
Taxes on recordation and wills	11,535,308	8,988,228	7,936,513	7,424,426	7,401,252	9,166,347	12,944,088	18,106,921
Hotel and motel room taxes	4,947,024	4,940,965	5,044,602	4,748,883	5,572,925	5,995,828	5,664,725	5,313,708
Interest and investment earnings	1,806,389	2,251,057	2,625,335	4,229,035	12,182,445	23,996,377	23,789,942	16,201,553
Unrestricted grants and contributions	57,029,501	54,190,713	55,383,277	54,732,247	56,173,663	56,980,645	56,807,035	59,420,281
Miscellaneous	2,248,557	2,871,029	3,968,318	1,654,872	2,104,896	2,370,314	796,784	218,978
Special Item	-	-	-	-	6,381,106	-	-	-
Total primary government general revenues	\$ 1,059,038,092	\$ 1,022,542,963	\$ 1,002,123,517	\$ 960,565,793	\$ 977,250,248	\$ 947,472,700	\$ 864,449,045	\$ 792,284,437
Change in Net Position	\$ 73,567,403	\$ 181,512,872	\$ 140,148,852	\$ 48,108,674	\$ (15,482,107)	\$ 88,999,211	\$ (37,987,149)	\$ 8,717,179

(1) Net (expense) revenue is the difference between the expenses and program revenues. It indicates the degree to which a function or program is supported with its own fees and program-specific grants versus its reliance upon funding from taxes and other general revenues. A number in parentheses is net expense indicating that expenses were greater than program revenues and therefore general revenues were needed to finance that function or program. Number without parentheses is net revenue indicating 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							
	2013	2012	2011	2010	2009	2008	2007	2006
Pre GASB 54:								
General Fund:								
Reserved					\$ 13,116,086	\$ 11,316,291	\$ 14,568,061	\$ 13,594,685
Unreserved								
Designated					105,123,783	99,502,387	91,334,925	89,415,523
Undesignated					42,653,142	46,250,909	57,711,167	68,641,407
Total General Fund					\$ 160,893,011	\$ 157,069,587	\$ 163,614,153	\$ 171,651,615
Other Governmental Funds:								
Reserved					\$ 80,629,313	\$ 82,116,013	\$ 23,271,448	\$ 26,468,393
Unreserved								
Designated:								
Special Revenue Funds					-	-	1,244,469	350,000
Capital Project Funds					135,914,520	75,864,057	146,568,818	93,244,558
Debt Service Fund					19,116,001	23,324,983	27,321,218	33,378,305
Undesignated:								
Special Revenue Funds					126,253,942	117,590,281	109,464,235	90,708,497
Total Other Governmental Funds					\$ 361,913,776	\$ 298,895,334	\$ 307,870,188	\$ 244,149,753
Post GASB 54:								
General Fund:								
Nonspendable	\$ 2,702,989	\$ 3,141,458	\$ 3,485,287	\$ 3,382,785				
Restricted	-	496,427	587,920	736,194				
Committed	123,624,193	116,969,167	127,596,371	111,378,755				
Assigned	42,016,085	35,150,320	3,089,893	4,368,207				
Unassigned	51,307,907	46,465,428	61,501,286	67,221,557				
Total General Fund	\$ 219,651,174	\$ 202,222,800	\$ 196,260,757	\$ 187,087,498				
Other Governmental Funds:								
Nonspendable	\$ 2,576,238	\$ 2,976,188	\$ 1,455,427	\$ 1,532,553				
Restricted	289,263,838	280,844,038	268,211,618	252,044,227				
Committed	71,710,962	93,409,781	115,791,455	65,777,747				
Assigned	58,525,142	22,625,174	10,347,947	13,064,889				
Unassigned	(638,138)	(664,939)	-	-				
Total Other Governmental Funds	\$ 421,438,042	\$ 399,190,242	\$ 395,806,447	\$ 332,419,416				
Total Governmental Funds	\$ 641,089,216	\$ 601,413,042	\$ 592,067,204	\$ 519,506,914	\$ 522,806,787	\$ 455,964,921	\$ 471,484,341	\$ 415,801,368

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

	Fiscal Years							
	2013	2012	2011	2010	2009	2008	2007	2006
Revenues								
General property taxes	\$ 852,834,842	\$ 828,523,936	\$ 811,668,497	\$ 780,886,551	\$ 777,764,635	\$ 741,296,705	\$ 653,847,833	\$ 586,523,922
Other local taxes	143,979,882	136,674,099	130,428,834	120,031,316	120,094,012	124,332,170	125,084,324	127,126,072
Permits and licenses	22,614,546	18,621,240	14,444,622	10,791,655	11,844,637	15,023,716	15,301,258	20,885,155
Use of money and property	2,746,066	2,729,647	2,705,771	2,539,918	2,545,492	2,069,644	1,938,316	2,056,027
Fines and forfeitures	3,770,933	4,854,195	5,080,665	5,806,890	15,356,324	30,090,220	29,738,479	19,935,999
Charges for services	32,089,497	30,759,688	29,376,216	26,227,611	25,121,561	24,898,207	23,232,267	23,354,171
Gifts and donations	47,171,149	32,595,451	15,346,612	23,607,010	16,038,282	20,225,374	13,941,107	17,657,593
Miscellaneous	2,349,169	1,359,712	2,080,701	620,206	1,333,558	360,477	825,273	252,974
Recovered costs	8,591,178	10,124,849	11,147,553	10,524,622	8,345,611	10,734,882	7,322,441	7,228,536
Intergovernmental - Commonwealth of Virginia	87,849,590	87,405,196	85,827,355	79,536,378	92,494,168	90,654,860	87,360,501	83,331,960
Intergovernmental - Federal Government	16,361,651	21,216,867	23,561,617	36,828,492	31,208,905	20,156,214	20,442,859	23,328,040
Payment from Component Unit	28,174,303	-	-	-	-	-	-	-
Total revenues	1,248,532,806	1,174,864,880	1,131,668,443	1,097,400,649	1,102,147,185	1,079,842,469	979,034,658	911,680,449
Expenditures								
General government administration	59,857,783	68,187,026	57,425,608	58,971,603	58,014,874	53,697,645	47,999,483	40,679,949
Judicial administration	12,634,767	12,438,251	11,906,191	12,010,979	12,159,740	11,943,448	10,985,963	9,873,632
Public safety	151,361,628	146,717,960	139,766,826	134,915,733	141,207,093	127,329,016	115,484,242	100,210,168
Public works	48,249,790	46,330,697	47,410,592	65,313,594	55,961,771	45,143,766	34,532,493	30,868,692
Health and welfare	79,541,256	80,280,556	81,217,371	83,739,002	82,476,368	82,831,548	76,568,894	72,880,067
Parks, recreation and culture	45,351,862	42,601,230	42,865,541	42,229,577	44,256,562	43,808,392	38,707,111	35,802,294
Community development	48,960,308	45,934,636	37,561,438	40,414,055	42,939,187	36,782,407	38,028,091	31,709,885
Education	694,497,052	528,356,150	523,831,880	558,233,336	661,083,089	540,552,406	610,738,921	551,800,047
Capital outlay	64,776,387	35,427,284	50,947,973	58,053,186	85,295,782	31,636,288	29,325,928	38,198,152
Debt service:								
Principal payments	91,803,777	118,704,451	101,275,616	76,369,500	83,497,294	79,752,802	71,414,847	66,615,202
Interest and service charges	52,923,102	52,075,247	53,154,667	50,854,909	48,380,508	49,049,819	43,459,098	40,576,792
Total expenditures	1,349,957,712	1,177,053,488	1,147,363,703	1,181,105,474	1,315,272,268	1,102,527,537	1,117,245,071	1,019,214,880
Excess of revenues over (under) expenditures	(101,424,906)	(2,188,608)	(15,695,260)	(83,704,825)	(213,125,083)	(22,685,068)	(138,210,413)	(107,534,431)
Other financing sources (uses)								
Transfers in	212,301,419	225,303,162	295,977,594	210,275,969	318,270,686	170,873,438	183,476,008	144,180,421
Transfers (out)	(209,179,221)	(230,973,170)	(305,302,007)	(219,434,691)	(314,474,722)	(177,004,116)	(183,743,198)	(148,141,538)
Issuance premium	17,227,036	11,565,392	7,827,179	2,959,133	18,065,439	895,654	10,652,401	5,412,077
Issuance of bonds	119,990,000	5,000,000	89,750,000	175,720,527	382,004,977	12,290,000	188,800,000	160,225,000
Premium on Refunded Bonds	11,671,077	-	-	-	-	-	-	-
Issuance of Refunding Bonds	127,155,000	-	-	-	-	-	-	-
Payments to refunded bond escrow agent	(138,064,231)	-	-	(89,120,000)	(131,030,000)	-	486,065	-
Sales of capital assets	-	639,062	2,784	4,014	7,169,475	110,672	15,029	652,421
Total other financing sources (uses)	141,101,080	10,895,384	88,255,550	80,404,952	280,005,855	7,165,648	199,686,305	162,328,381
Net change in fund balances	\$ 39,676,174	\$ 8,706,776	\$ 72,560,290	\$ (3,299,873)	\$ 66,880,772	\$ (15,519,420)	\$ 61,475,892	\$ 54,793,950
Debt service as a percentage of noncapital expenditures (Primary Government Only)								
Total debt service	\$ 144,726,879	\$ 170,779,698	\$ 154,430,283	\$ 127,224,409	\$ 131,877,802	\$ 128,802,621	\$ 114,880,554	\$ 107,191,994
Total expenditures	1,349,957,712	1,177,053,488	1,147,363,703	1,181,105,474	1,302,929,705	1,102,527,537	1,117,452,007	1,019,214,880
Capital outlay - Primary Government Only	(66,460,172)	(37,726,538)	(55,271,711)	(60,858,796)	(87,290,325)	(36,744,321)	(31,622,908)	(40,161,282)
Noncapital Expenditure	\$ 1,283,497,540	\$ 1,139,326,950	\$ 1,092,091,992	\$ 1,120,246,678	\$ 1,215,639,380	\$ 1,065,783,216	\$ 1,085,829,099	\$ 979,053,598
Debt service as a percentage of noncapital expenditures	11.28%	14.99%	14.14%	11.36%	10.85%	12.09%	10.58%	10.95%

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
2013	\$ 852,834,842	\$ 69,555,652	\$ 21,504,030	\$ 28,400,538	\$ 1,975,749	\$ 6,061,581	\$ 11,535,308	\$ 4,947,024	\$ 996,814,724
2012	828,523,936	68,907,540	19,864,904	25,995,888	2,114,813	5,861,761	8,988,228	4,940,965	965,198,035
2011	811,668,497	63,589,457	20,236,914	25,355,444	2,601,978	5,663,926	7,936,513	5,044,602	942,097,331
2010	780,886,551	57,604,972	20,087,509	23,076,923	1,602,260	5,486,343	7,424,426	4,748,883	900,917,867
2009	777,764,635	55,353,088	19,891,260	25,552,292	1,009,373	5,313,822	7,401,252	5,572,925	897,858,647
2008	741,296,705	57,209,778	20,940,326	25,464,522	365,769	5,189,600	9,166,347	5,995,828	865,628,875
2007	653,847,833	54,099,950	19,263,192	26,724,382	1,323,764	5,064,223	12,944,088	5,664,725	778,932,157
2006	586,523,922	53,558,311	17,131,137	26,042,285	2,076,651	4,897,059	18,106,921	5,313,708	713,649,994

**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			
2013	\$ 44,760,925,696	\$ 17,664,200,645	\$ 2,866,357,670	\$ 2,728,476,540	\$ 2,617,701,019	\$ 5,270,486,170	\$ 65,367,175,400	\$ 1.41
2012	42,339,146,700	17,402,050,900	2,968,638,600	2,587,376,111	2,121,835,958	5,148,056,700	62,270,991,569	1.39
2011	40,803,550,100	16,805,417,800	3,074,079,800	2,374,460,302	2,079,399,563	4,975,969,800	60,160,937,765	1.43
2010	39,017,317,800	16,916,450,500	3,195,328,500	2,235,611,828	1,962,529,466	4,830,803,300	58,496,434,794	1.42
2009	39,830,524,980	17,976,712,400	4,009,280,100	2,081,825,371	1,976,148,727	5,023,445,900	60,851,045,678	1.36
2008	45,791,942,249	17,475,243,500	4,794,833,700	2,297,252,769	1,619,759,946	4,882,198,700	67,096,833,464	1.26
2007	48,322,231,082	15,810,626,800	4,143,962,100	2,188,395,870	1,387,749,362	4,725,959,400	67,127,005,814	1.07
2006	48,470,341,430	13,161,987,200	3,937,053,100	2,175,881,822	1,374,701,107	3,784,146,100	65,335,818,559	0.99

- (1) Property in Loudoun County is assessed annually at fair market value with the date of value being January 1. Property is assessed at 100% of estimated actual value. Tax rates are per \$100 of assessed value.
- (2) Loudoun County Office of the Commissioner of Revenue, Land Book for each year
- (3) Loudoun County Office of the Commissioner of Revenue, for the end of June of each year

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

Type of tax	Fiscal Years							
	2013	2012	2011	2010	2009	2008	2007	2006
LOUDOUN COUNTY								
Countywide Tax Levies:								
Real property (1):								
General Fund	\$ 1.205	\$ 1.235	\$ 1.285	\$ 1.300	\$ 1.245	\$ 1.14	\$ 0.917	\$ 0.89
Route 28 Highway Improvement	0.18	0.18	0.18	0.18	0.18	0.20	0.20	0.20
Aldie Sewer Service District* ended 01/01/13	n/a	0.13	0.13	0.13	0.13	0.13	0.13	0.13
Dulles Rail Service District	0.20	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Hamilton Sewer Service District	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Fire/Emergency Medical Services	n/a	n/a	n/a	n/a	n/a	n/a	0.04	n/a
Total direct real property tax rate (2)	1.251	1.251	1.302	1.319	1.265	1.159	0.975	0.904
Personal property:								
Personal Property (General)	4.200	4.200	4.200	4.200	4.200	4.200	4.200	4.200
Mobile Homes	1.205	1.235	1.285	1.300	1.245	1.140	0.960	0.890
Aircraft & Flight Simulators	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
Satellite Manufacturing Equipment	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
Machinery and Tools	2.750	2.750	2.750	2.750	2.750	2.750	2.750	2.750
Total direct personal property tax rate (2)	3.659	3.699	3.515	3.277	3.139	3.500	3.304	3.180
Total Direct Rate	\$ 1.41	\$ 1.39	1.43	1.42	1.36	1.26	1.07	0.99
OVERLAPPING GOVERNMENTS (3)								
Town of Hamilton								
Real Estate	\$ 0.28	\$ 0.28	\$ 0.28	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25
Personal Property	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10
Town of Leesburg								
Real Estate	0.192	0.195	0.195	0.195	0.195	0.18	0.18	0.18
Personal Property	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	0.18	0.18	0.18	0.18
Town of Middleburg (4)								
Real Estate	0.15	0.19	0.15	0.19	0.15	0.15	0.15	0.10
Town of Purcellville								
Real Estate	0.225	0.225	0.23	0.23	0.22	0.19	0.18	0.17
Personal Property	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
Town of Round Hill								
Real Estate	0.2034	0.209	0.20	0.20	0.20	0.16	0.14	0.14
Personal Property	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

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

Taxpayer	2013			2004		
	Taxable Assessed Value	Rank	Percentage of Taxable Real Property Assessed Value	Taxable Assessed Value	Rank	Percentage of Taxable Real Property Assessed Value
Virginia Electric & Power Company	356,763,100	1	0.59%	\$ 196,518,300	3	0.55%
Verizon Business (formerly MCI Worldcom)	313,137,300	2	0.52%	104,163,000	8	0.29%
Dulles Town Center Mall LLC	238,384,200	3	0.40%	139,613,000	5	0.39%
Toll Road Investors Partnership II LLC	209,785,300	4	0.35%	126,952,100	6	0.35%
Carlyle/Cypress Leesburg I LLC	178,609,040	5	0.30%			
VISA USA INC	176,613,690	6	0.29%			
R T Pacific Blvd LLC	159,981,610	7	0.27%			
America Online/Time Warner	152,710,620	8	0.25%	246,553,900	2	0.69%
Verizon Virginia Inc	150,085,500	9	0.25%	153,328,900	4	0.43%
Chelsea GCA Realty Partnership LP	136,058,330	10	0.23%			
UUNET Technologies, Inc				271,778,300	1	0.76%
Brambleton Group LLC				119,132,500	7	0.33%
Smith, Verlin W. et als Trustees				91,849,600	9	0.26%
Pulte Homes Corporation				84,622,000	10	0.24%
Total	<u>\$ 2,072,128,690</u>		<u>3.45%</u>	<u>\$ 1,534,511,600</u>		<u>4.29%</u>

Source: Loudoun County Office of the Commissioner of Revenue

**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
2013	\$ 850,743,546	\$ 838,772,203	98.59%	\$ -	\$ 838,772,203	98.59%
2012	824,588,825	814,911,747	98.83%	8,343,232	823,254,979	99.84%
2011	806,466,618	798,419,783	99.00%	7,642,487	806,062,270	99.95%
2010	777,591,117	768,962,907	98.89%	8,408,307	777,371,214	99.97%
2009	778,479,460	769,037,117	98.79%	9,225,943	778,263,060	99.97%
2008	736,460,357	727,908,521	98.84%	8,358,527	736,267,048	99.97%
2007	651,303,109	643,512,082	98.80%	7,720,149	651,232,231	99.99%
2006	579,252,028	573,495,172	99.01%	5,756,856	579,252,028	100.00%

The current tax collections also include reimbursement from the Commonwealth under the Personal Property Tax Relief Act.

**COUNTY OF LOUDOUN, VIRGINIA
RATIOS OF OUTSTANDING DEBT BY TYPE**

Fiscal Year	Primary Government Activities		Component Unit School Board		Total Reporting Entity	Percentage of Personal Income	Debt Per Capita
	General Obligation Bonds	Capital Leases	General Obligation Bonds	Capital Leases			
2013	\$ 981,105,668	\$ 124,900,000	\$ 0	\$ 20,936,587	\$ 1,126,942,255	5.56%	\$ 3,325
2012	923,266,586	138,143,777	0	18,870,504	1,080,280,867	5.62%	3,288
2011	1,024,633,054	156,928,228	0	20,291,271	1,201,852,553	6.55%	3,749
2010	1,004,330,000	138,968,844	0	20,911,909	1,164,210,753	6.93%	3,728
2009	1,007,377,247	128,696,096	0	25,179,363	1,161,252,706	7.54%	3,808
2008	919,280,193	55,650,444	0	24,389,818	999,320,455	6.47%	3,349
2007	984,781,111	57,612,328	0	23,288,748	1,065,682,187	7.42%	3,682
2006	865,810,040	59,297,176	0	21,763,752	946,870,968	7.38%	3,424

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

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Taxable Assessed Value of Property	Bonded Debt Per Capita
2013	\$ 981,105,668	\$ 0	\$ 981,105,668	1.50%	\$ 2,895
2012	923,266,586	0	923,266,586	1.48%	2,810
2011	1,024,633,054	0	1,024,633,054	1.70%	3,196
2010	1,004,330,000	0	1,004,330,000	1.72%	3,216
2009	1,007,377,247	0	1,007,377,247	1.66%	3,303
2008	919,280,193	0	919,280,193	1.37%	3,080
2007	984,781,111	0	984,781,111	1.47%	3,403
2006	865,810,040	0	865,810,040	1.33%	3,131

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

TABLE L

Fiscal Policy Guideline	Fiscal Years								
	2013	2012	2011	2010	2009	2008	2007	2006	
Ratio Data:									
Population	338,897	328,533	320,583	312,311	304,964	298,420	289,397	276,542	
Estimated Market Value of Taxable Property	\$ 65,367,175,400	\$ 62,270,991,569	\$ 60,160,937,765	\$ 58,496,434,794	\$ 60,851,045,678	\$ 67,096,833,464	\$ 67,127,005,814	\$ 65,335,818,559	
Per Capita Income	59,835	58,559	57,242	53,824	50,519	51,773	49,607	46,388	
Governmental Expenditures	1,712,902,944	1,806,724,146	1,800,455,938	1,774,733,828	1,895,186,256	1,568,547,711	1,446,619,735	1,268,524,255	
Total Reporting Entity Outstanding Debt	1,126,942,255	1,080,280,867	1,201,852,553	1,164,210,753	1,161,252,706	999,320,455	1,065,682,187	946,870,968	
Total Reporting Entity Debt Service Expenditures	152,949,942	179,700,528	163,843,477	138,679,732	141,921,045	138,365,448	122,205,086	112,877,657	
Debt Capacity Goals / Ratios:									
Annual Debt Issuance Limit	\$ 200,000,000	\$ 129,916,000	\$ 12,000,000	\$ 97,894,000	\$ 92,863,000	\$ 260,240,000	\$ 22,249,818	\$ 197,076,000	\$ 170,191,000
Debt Per Capita	2,500.00	3,325.32	3,288.20	3,748.96	3,727.73	3,807.84	3,348.70	3,682.42	3,423.97
Debt To Estimated Market Value of Taxable Property	3.00%	1.72%	1.73%	2.00%	1.99%	1.91%	1.49%	1.59%	1.45%
Debt To Per Capita Income	7.50%	5.56%	5.62%	6.55%	6.93%	7.54%	6.47%	7.42%	7.38%
Debt Service To Expenditures	10.00%	8.93%	9.95%	9.10%	7.81%	7.49%	8.82%	8.45%	8.90%
Affordability Index:									
Fiscal Year 2013	\$1,584,200,295	\$ 1,126,942,255							
Fiscal Year 2012	\$1,509,937,190		\$ 1,080,280,867						
Fiscal Year 2011	\$1,454,172,977			\$ 1,201,852,553					
Fiscal Year 2010	\$1,387,115,335				\$ 1,164,210,753				
Fiscal Year 2009	\$1,378,391,120					\$ 1,161,252,706			
Fiscal Year 2008	\$1,460,582,342						\$ 999,320,455		
Fiscal Year 2007	\$1,427,761,149							\$ 1,065,682,187	
Fiscal Year 2006	\$1,357,045,596								\$ 946,870,968
OVERLAPPING DEBT (2)									
Commonwealth of Virginia	\$ 126,270,136	\$ 129,970,136	\$ 129,991,834	\$ 133,091,834	\$ 152,523,472	\$ 132,445,972	\$ 124,238,284	\$ 109,694,931	
Peumansend Creek Regional Jail Authority	313,600	396,000	481,600	569,600	658,400	748,000	929,600	1,020,000	
Northern Virginia Criminal Justice Academy	3,309,900	3,499,650	3,682,800	5,387,250	5,651,250	5,907,000	7,755,000	955,350	
Loudoun Water (formally Loudoun County Sanitation Authority)	82,429	109,906	137,382	164,858	192,335	219,811	274,764	315,980	
Dulles Town Center Community Development Authority	32,705,000	33,740,000	34,635,000	35,405,000	36,060,000	36,605,000	36,410,000	36,735,000	
Virginia Revolving Loan Fund	923,767	1,293,433	1,173,861	1,293,433	1,409,497	1,522,155	1,873,383	1,873,383	
Dulles Industrial Park Water and Sewer	346,712	473,342	593,601	-	-	-	-	-	
Greenlea Community Bridge	350,918	372,907	393,633	-	-	-	-	-	
Total Overlapping Debt	\$ 164,302,462	\$ 169,855,374	\$ 171,089,711	\$ 175,911,975	\$ 196,494,954	\$ 177,447,938	\$ 171,481,031	\$ 150,594,644	
Fiscal Policy Guideline	\$ 653,671,754	\$ 622,709,916	\$ 601,609,378	\$ 584,964,348	\$ 608,510,457	\$ 670,968,335	\$ 671,270,058	\$ 653,358,186	

(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.

**COUNTY OF LOUDOUN, VIRGINIA
DEMOGRAPHIC STATISTICS**

Year	Population (1)	Personal Income (2)	Per Capita Personal Income (2)	Unemployment Rate (3)	School Enrollment (4)
2013	338,897	\$ 20,277,819,000	\$ 59,835	4.5%	68,289
2012	328,533	\$ 19,238,421,000	\$ 58,559	4.2%	65,668
2011	320,583	\$ 18,350,812,000	\$ 57,242	4.4%	63,220
2010	312,311	\$ 16,809,827,000	\$ 53,824	4.9%	60,096
2009	304,964	\$ 15,406,476,000	\$ 50,519	5.2%	57,009
2008	298,420	\$ 15,450,099,000	\$ 51,773	2.9%	54,047
2007	289,397	\$ 14,356,117,000	\$ 49,607	2.2%	50,478
2006	276,542	\$ 12,828,230,000	\$ 46,388	2.4%	47,361

Sources: (1) County of Loudoun Planning Department
(2) County of Loudoun Department of Management and Financial Services
(3) Virginia Employment Commission for the month of June
(4) Loudoun County Public Schools, for the end of September of the given fiscal year

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

Employer	2013			2004		
	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	9,671	6.71%	1	5,272	4.94%
County of Loudoun	2	3,438	2.39%	4	2,607	2.45%
U.S. Department of Homeland Defense	3	1,000-5,000	2.08%	6	1,000-5,000	2.81%
Orbital Sciences Corporation	4	1,000-5,000	2.08%			
United Airlines	5	1,000-5,000	2.08%	3	1,000-5,000	2.81%
M.C. Dean, Inc	6	1,000-5,000	2.08%			
Worldcom	7	1,000-5,000	2.08%	7	1,000-5,000	2.81%
Loudoun Hospital Center	8	1,000-5,000	2.08%	9	1,000-5,000	2.81%
United States Postal Service	9	1,000-5,000	2.08%	8	1,000-5,000	2.81%
AOL, Inc	10	1,000-5,000	2.08%	2	1,000-5,000	2.81%
Atlantic Coast Airlines United Express				5	1,000-5,000	2.81%
UUNET Payroll Services				10	1,000-5,000	2.81%
Totals			<u>25.74%</u>			<u>29.87%</u>

(1) Virginia Employment Commission, 4th Quarter 2012 and 2003, Loudoun County Public Schools, and Loudoun County Department of Management and Financial Services.

(2) Percentages are based on the midpoint of the employment range and average total Loudoun County employment of prior calendar year according to the Virginia Employment Commission.

COUNTY OF LOUDOUN, VIRGINIA
COUNTY GOVERNMENT EMPLOYEES BY FUNCTION

Function/Program	Full-time Equivalent Employees							
	as of June 30							
	2013	2012	2011	2010	2009	2008	2007	2006
General Government Administration	352	372	372	379	348	352	339	344
Judicial Administration	130	132	128	128	126	128	128	125
Public Safety	1,409	1,407	1,294	1,294	1,294	1,331	1,322	1,232
Public Works	116	84	83	83	113	120	124	116
Health and Welfare	589	589	599	599	598	603	601	603
Parks, Recreation and Culture	605	605	570	570	572	573	573	556
Community Development	237	237	257	249	253	268	266	274
Total Primary Government	3,438	3,426	3,303	3,302	3,304	3,375	3,353	3,250
Education	9,671	9,663	10,098	9,838	10,533	9,309	8,844	7,648
Total Reporting Entity	13,109	13,089	13,401	13,140	13,837	12,684	12,197	10,898

Source: County of Loudoun Department of Management and Financial Services

COUNTY OF LOUDOUN, VIRGINIA
OPERATING INDICATORS BY FUNCTION

Function	Fiscal Years								
	2013	2012	2011	2010	2009	2008	2007	2006	
General Government Administration									
County's bond ratings									
Moody's	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa
Standard and Poor's	AAA	AAA	AAA	AAA	AAA	AAA	AAA	AAA	AAA
Fitch	AAA	AAA	AAA	AAA	AAA	AAA	AAA	AAA	AAA
Major computer availability	99.9%	98.0%	99.9%	100.0%	100.0%	100.0%	100.0%	99.7%	
Judicial Administration									
Number of Deed book recording	88,743	62,250	65,745	64,312	61,946	65,951	87,922	126,013	
Public Safety									
Sheriff's Office									
Average response time for emergency calls	9:21 min	9:00 min	6:05 min	9:28 min	8:69 min	8:04 min	8:12 min	8:36 min	
Average response time for non-emergency calls	13:29 min	13:00 Min	10:20 min	13:35 min	14:21 min	11:89 min	10:24 min	11:37 min	
Fire and Rescue Services									
Number of emergency medical incidents responded	17,984	17,067	18,133	16,060	15,888	16,381	16,204	14,328	
Health and Welfare									
Number of senior meals provided	119,560	116,250	113,500	113,276	111,252	113,444	95,879	92,725	
Number of vaccinations administered(a)	2,607	5,000	2,248	58,177	4,591	3,714	9,586	8,402	
Number of Loudoun residents in the Medical Reserve Corps	1,306	1,300	1,100	1,189	900	816	700	550	
Parks, Recreation, and Culture									
Annual park visits	783,742	660,144	567,415	541,358	775,928	849,462	637,443	613,517	
Number of adults participating in adult sports leagues	5,228	6,125	5,279	6,934	10,124	10,386	9,871	9,119	
Number of children participating in youth sports	51,659	49,189	83,370	63,680	62,075	87,985	86,700	82,400	
Community Development									
Number of new homes approved(b)	4,323	3,750	2,959	1,958	2,085	2,391	2,739	3,061	
Number of new structures completed after January 1st of tax year	1,556	1,402	1,067	1,360	1,260	4,332	3,109	3,903	
Number of subdivision applications submitted	253	260	246	193	284	364	479	381	
Education									
Per Pupil Expenditures	\$ 13,121	\$ 12,514	\$ 12,062	\$ 12,345	\$ 13,473	\$ 13,293	\$ 12,388	\$ 11,759	
High School Completion Rate	95.70%	95.30%	94.00%	95.95%	96.08%	95.27%	94.27%	94.36%	
Pupil-Teacher Ratio									
Kindergarten	24.0	24.0	24.0	24.0	23.0	22.0	22.0	22.0	
Elementary	24.0	24.0	24.0	24.0	23.0	22.0	22.0	22.0	
Intermediate/Middle	23.6	23.6	23.6	23.6	22.6	21.6	21.6	21.6	
High	27.9	27.9	27.9	27.9	26.9	25.9	25.9	25.9	
SAT Scores									
Math	539	535	532	536	535	531	527	528	
Critical reading	539	531	536	535	533	525	522	525	
Writing	<u>528</u>	<u>524</u>	<u>524</u>	<u>526</u>	<u>525</u>	<u>519</u>	<u>511</u>	<u>508</u>	
Total	1,606	1,590	1,592	1,597	1,593	1,575	1,560	1,561	

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

Notes: (a) FY2010 includes H1N1 (Swine Flu) vaccinations
(b) 2012 is Projected residential building permits

COUNTY OF LOUDOUN, VIRGINIA
CAPITAL ASSETS STATISTICS BY FUNCTION

Function	Fiscal Years							
	2013	2012	2011	2010	2009	2008	2007	2006
General Government Administration (1)								
Square footage of office space - Owned	501,846	485,138	427,665	297,321	297,321	297,321	297,321	297,321
Square footage of office space - Leased	155,923	222,539	257,289	261,633	250,412	225,826	192,471	172,962
Square footage of court space	187,211	187,211	187,211	171,309	169,709	165,783	159,255	159,255
Public Safety (1)								
Police								
Sheriff stations	4	4	4	4	3	3	2	2
Jail capacity	460	460	220	220	220	220	220	220
Square footage of jail	212,000	212,000	114,924	114,924	87,850	87,850	87,850	87,850
Fire and Rescue								
Fire and Rescue stations	20	20	19	19	18	19	18	18
Other protections								
Animal shelters	1	1	1	1	1	1	1	1
Public Works (1)								
Transportation								
Commuter buses	52	50	47	45	38	35	33	31
Health and Welfare (1)								
Mental Health and Developmental Services								
Group homes - Mental Health	12	12	12	11	11	11	11	11
Group homes - Developmental Services	7	7	7	7	7	7	7	7
Family Services								
Homeless shelters	1	1	1	1	1	1	1	1
Transition shelters	1	1	1	1	1	1	1	1
Youth shelters	2	2	1	1	1	1	1	1
Parks, Recreation and Culture (1)								
Libraries								
Square footage of libraries	162,088	122,088	127,920	123,200	108,200	108,200	107,600	107,600
Parks and Recreation Facilities								
Regional parks	3	3	3	2	2	2	2	2
District parks	3	3	3	3	3	2	2	2
Community parks	19	19	12	12	10	5	4	4
Acres of parks	3,580	3,580	3,316	3,316	2,965	2,746	2,746	2,746
Recreation Center	1	1	1	1	1	1	-	-
Square Footage of recreation center	84,209	84,209	84,209	84,209	84,209	84,209	-	-
Community Centers	9	9	7	7	7	10	11	11
Square Footage of community centers (a)	92,696	92,696	76,274	76,274	76,274	99,445	96,644	96,644
Respite centers	3	3	2	2	2	2	2	1
Senior citizen centers	3	3	2	2	2	2	2	1
Community Development (1)								
Landfill								
Landfills	1	1	1	1	1	1	1	1
Recycling drop-off centers	9	9	9	9	9	9	9	9
Education (2)								
Elementary Schools								
Buildings	55	53	52	51	50	47	44	44
Square footage	3,973,026	3,790,826	3,690,349	3,588,208	3,497,213	3,227,060	2,919,888	2,919,888
Capacity	35,725	33,945	33,070	32,318	31,731	29,299	26,598	26,818
Middle Schools								
Buildings	14	14	13	13	13	13	12	12
Square footage	2,234,279	2,234,279	2,056,399	2,056,399	2,029,747	2,029,747	1,860,987	1,860,987
Capacity	16,696	16,696	15,346	15,476	15,403	15,300	13,419	13,356
High Schools								
Buildings (b)	13	13	12	10	10	10	11	11
Square footage	3,149,764	3,149,764	2,874,190	2,342,849	2,342,849	2,342,849	2,406,968	2,406,968
Capacity	20,523	20,523	18,723	15,118	15,206	15,257	15,161	14,980
Alternative Schools								
Buildings (b)	2	2	2	2	2	2	1	1
Square footage	124,862	124,862	124,862	124,862	124,862	124,862	47,022	47,022
School Buses	854	854	840	780	731	742	744	675

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

(2) Loudoun County Public Schools CAFR

Notes: (a) Community Center statistic previously included leased facilities

(b) CS Monroe Technology Center classification changed from High School to Alternative to better reflect actual function



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